

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

29 Elizabeth II

VOLUME II, 1980

COMPRISING THE PERIOD FROM THE SIXTEENTH DAY OF MAY, 1980
TO THE NINETEENTH DAY OF JUNE, 1980

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canadian Government Publishing Centre, Supply and Services Canada, Hull, Québec, Canada K1A 0S9

HOUSE OF COMMONS

Friday, May 16, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL ANTHEM

DESIGNATION OF "O CANADA"—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise to move a motion which I hope will commend itself to the House and give effect to what I perceive to be a desire by members of all parties in this House for a declaration that "O Canada" be the national anthem of Canada.

I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That Bill C-220, an act respecting the national anthem of Canada, standing in the name of the hon. member for Simcoe South, be called this day on orders of the day, and that, notwithstanding any Standing Order, the bill be considered at second reading, referred to the Committee of the Whole, and considered at third reading, and that no later than 4 p.m. this day all questions necessary to dispose of the said bill be put to the House.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Trudeau: No. What are the words?

* * *

ENERGY

RISING OIL PRICES—CALL FOR COMMITTEE STUDY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43.

Owing to the fact that Canadians are becoming increasingly concerned about rising oil prices, while at the same time oil company profits continue to increase, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That presidents of the various Canadian oil companies be invited to appear before the Standing Committee on Finance, Trade and Economic Affairs and be allowed an opportunity to explain the profit picture of their companies and how these profits are spent, and that Mr. T. C. Douglas, former NDP leader, now a director of a major oil company, be allowed to appear to explain his company's high profits.

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who is against Tommy Douglas?

* * *

SPORTS

CONDEMNATION OF CFL DISCRIMINATION AGAINST CANADIAN ATHLETES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43, I rise to move a motion.

In view of the fact that the Canadian Football League has a designated import rule which discriminates against Canadian quarterbacks; and in view of the fact that the result of this rule is that outstanding Canadian athletes, such as Jamie Bone, are excluded from consideration by Canadian clubs and end up having to play for second-rate teams like the Dallas Cowboys; and in view of the fact that CFL Commissioner Gaudaur yesterday announced that the CFL has refused to change this rule, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House condemn the CFL for their failure to treat Canadian quarterbacks fairly, and instructs the minister to contact the CFL and make it clear that if this discrimination is not changed, the government will take strong measures, up to and including legislation if necessary, to force the CCFL—the CCF—

Some hon. Members: Oh, oh!

Mr. Knowles: We are now the NDP.

Mr. Benjamin:

—to force the CFL to abandon its totally unacceptable and ludicrous discrimination against Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1110)

HUMAN RIGHTS

INHUMAN TREATMENT OF TAIWAN NATIONALS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgent necessity concerning Dr. C. M. Kao, general secretary of the Presbyterian Church in Taiwan, who has recently been seized by the Taiwanese police, and also with respect to the fact that a member of his office staff was arrested last January and has been held in solitary confinement ever since, reportedly under the most inhuman treatment and with attempts to force her to confess to whatever she is told to say. I would move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the House respectfully requests the Secretary of State for External Affairs to review all available details of this case in order to determine whether a severe violation of human rights as defined under the Helsinki agreement, and police state tactics, have and are taking place, and that the minister be respectfully asked to take whatever action may be within Canada's means to assist these individuals if a violation of human rights is indeed determined.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

P.E.I.—SERVICING OF FISHERMEN'S LIFE RAFTS—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise pursuant to the provisions of Standing Order 43.

In view of the fact that some 92 fishermen in the province of Prince Edward Island now have to have servicing to their life rafts done in Halifax, at considerable extra expense, while up to this year they could get the servicing completed in Prince Edward Island, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Minister of Transport immediately make arrangements with the manufacturer, Beaufort Canada, to reinstate a service department for these life rafts on Prince Edward Island, so that the fishermen of P.E.I. will not suffer due to a thoughtless administrative decision by Beaufort Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

NATIONAL UNITY

QUEBEC REFERENDUM—CONTRIBUTIONS OF PRIME MINISTER AND LEADER OF THE OPPOSITION—MOTION UNDER S.O. 43

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, I rise under the provisions of Standing Order 43.

In view of the superb and distinguished contribution of the right hon. Pierre Elliott Trudeau and the right hon. Joseph Clark on behalf of their respective national parties in the referendum campaign, and in view of the fact that both leaders have stated in clear, concise terms their respective party's stand on the referendum question, I move, seconded by the hon. member for Burin-St. George's (Mr. Simmons):

That this House of Commons applaud their actions during this crucial time in Canadian history and, indeed, lends its unanimous support to their continuing efforts in fostering Canadian unity.

Some hon. Members: Hear, hear!

Madam Speaker: I suppose we have unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Blais: The NDP said "No".

Madam Speaker: We have not?

Some hon. Members: No.

Some hon. Members: Oh, oh!

* * *

POST OFFICE

DEPLORABLE MAIL CONDITIONS IN CALGARY NORTH—MOTION UNDER S.O. 43

Mr. Bill Wright (Calgary North): Madam Speaker, I rise, under the provisions of Standing Order 43, concerning the deplorable mail conditions in Calgary North. I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the Postmaster General and this government direct the Post Office to immediately commence regular mail service in all areas of Calgary North where delivery has been lacking for a period longer than 60 days.

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

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

PLIGHT OF CUBANS FLEEING TO UNITED STATES—MOTION UNDER S.O. 43

Mr. Jim Schroder (Guelph): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Given the increasing number of Cuban citizens fleeing their country to the United States, and the inability of the international community to take action because these people cannot be classed as refugees under the United Nations' definition, and the deteriorating relationship that has come about between the United State and Cuba, I move, seconded by the hon. member for Willowdale (Mr. Peterson):

That this House urge the Government of Canada to consult with the United States government, the Cuban government and other governments in the western hemisphere with a view to forming a consensus that would lead to the resolution of this tragic situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

THE WORLD COMMUNITY

RECOGNITION OF CONTRIBUTION OF ISLAM AND CANADIANS OF ISLAMIC FAITH—MOTION UNDER S.O. 43

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas Islam has recently entered the fifteenth century since its founding, an event which is universally celebrated, and whereas Islam is one of the world's great religions, encompassing peoples of all cultures, and whereas Islam strives for a brotherly community transcending the superficial differences of race, history or nationality and is thus being implementary of the spirit of multiculturalism, I would move, seconded by the hon. member for Kent (Mr. Bossy):

That this House take note of the contribution of Islam and Canadians of Islamic faith and wish them success in their continuing pursuits to give reality to a truly multicultural society that is Canada today.

Some hon. Members: Hear, hear!

Madam Speaker: Under the provisions of Standing Order 43, such a motion would require the unanimous consent of the House before it could be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SPORTS

DATE OF ANNOUNCEMENT ON SITE OF 1985 SUMMER GAMES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of increasing costs, and the anxiety of the citizens of New Brunswick to have a decision made as soon as possible as to the site of the 1985 Summer Games, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the house instruct the minister responsible for amateur sports and fitness to make up his mind and make the announcement before the Lakehead Games in 1981, so that the host community can commence planning.

Madam Speaker: Under the terms of Standing Order 43, unanimous consent is required before this motion can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—EXTENSION OF PIPELINE TO ATLANTIC CANADA

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is addressed to the Prime Minister. In view of the announcement by the Minister of Energy yesterday that the Q and M pipeline would go only as far as Quebec, can the right hon. gentleman please tell the House, and especially the people of Atlantic Canada, what factors have changed since his speech on energy before the Board of Trade in Halifax on January 25, 1980, when he promised, among other things, to "take immediate action for the construction of a natural gas pipeline to Quebec City and the maritimes", without making any mention of delay because of environmental studies, proven reserves off Atlantic Canada or federal assistance?

Since, in the Prime Minister's own immortal words, "like the railways of the 1880s, energy pipelines in the 1980s have the potential to be a steel link uniting the nation", my question to the right hon. gentleman is this: how can you link a nation when you stop at Quebec?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I would suggest that the hon. member go back to the drawing board and check what the Prime Minister said in Halifax. I suggest, also, that it is quite inappropriate to try to put on the record a quotation which is not correct. If the hon. gentleman wants to get the right quote, we will answer his question.

Mr. Nowlan: I was really hoping for something more from the Prime Minister. I listened to the Minister of Energy in this House last night when he tried to answer the hon. member for South Shore—

Madam Speaker: Order, please. I will recognize the hon. member if he asks a question.

Mr. Nowlan: Madam Speaker, that is why I deliberately did not put my question on such a fundamental matter of government policy to the Minister of Energy—

Madam Speaker: Order, please.

Mr. Nowlan: —who was drawing a red herring as a diversion from the fundamental question involved.

Some hon. Members: Question.

Mr. Nowlan: I will quote from the Halifax *Chronicle-Herald.*

An hon. Member: A point of order. Get on to the next speaker!

Mr. Nowlan: No wonder you are not the minister of communications.

An hon. Member: No wonder you were never one.

Madam Speaker: Order, please. Will the hon. member kindly ask his question forthwith, without any preamble. I have already allowed quite a long preamble on his first question.

● (1120)

Mr. Nowlan: Madam Speaker, I will direct a question either to the right hon. Prime Minister or his Minister of Energy, Mines and Resources. I would like either of those gentlemen to tell me where my question differed, in terms of a fundamental promise made to Atlantic Canada, from what I am about to read, published by the Liberal Party of Canada in the Halifax *Chronicle-Herald* on Saturday, February 2, quoting the speech of the Prime Minister to the Board of Trade.

There would be a natural gas pipeline to ensure all Canadians—

Not Canadians who live in any one part of the country.

—access to their resources. Liberals would take immediate action to begin negotiations for construction of a natural gas pipeline to Quebec City and the maritimes. Initially it would carry natural gas east but when maritime supplies are ready, the pipeline would be like a natural gas railroad with a return delivery facility as well.

Would the minister tell me where I misstated the facts?

Mr. Lalonde: Madam Speaker, I am glad that in his further question the hon. member indeed has changed substantially the quote he was attributing to the Prime Minister. He will see in the record tomorrow, if he looks at *Hansard*, that there is a substantial difference between what he has now said and what he said in his previous question.

In case he has any doubt, I will read to him what has been stated by the Prime Minister and quoted by his own colleague from Nova Scotia who was speaking in the House yesterday and who said, quoting the Prime Minister, that the Prime Minister said in Halifax that Liberals "would take immediate action to begin negotiations for construction of a natural gas pipeline to Quebec City and the maritimes."

This we did when we took office. I have already been in touch with the provinces concerned, and I indicated in the House yesterday that indeed one of the problems that we had to face, and which has been recognized by the National Energy Board, is that the environmental studies required have not been carried out to the satisfaction of the National Energy Board.

Second, before finally proceeding to a decision on the building of the pipeline, it was advisable to assess the resources that are available in terms of natural gas off Sable Island, and the government of New Brunswick, as recently as last week at a meeting I had with the government of New Brunswick, insisted on the position it had taken before the National Energy Board to the effect that all alternatives should be carefully examined before we embark definitively on this project.

We are still of the opinion that the gas pipeline to the maritimes is still the preferred option of this government, but we want to do it in an orderly way and make sure that the consumers and workers of the maritimes and the maritime provinces concerned will all benefit from it.

Mr. Nowlan: Madam Speaker, my final supplementary is to the Minister of Energy, Mines and Resources. No questions of environmental studies were raised when this matter was mentioned and promised by the Prime Minister in January.

My question to the Minister of Energy, Mines and Resources, who raises environmental studies, is really twofold. Why is such a fundamental question of government policy, i.e., a pipeline to Atlantic Canada, even placed before the National Energy Board, since we all know it is feasible and will need financial help like the railways needed it back in the 1880s.

Also, since he has had other capacities in earlier governments in terms of moving oil across this country, and was at one time minister of federal-provincial relations, can the minister tell this House how, in Atlantic Canada, you can dilute an alienation factor that is there, as it is in other parts of the country, when Atlantic Canada looks to James Bay, which did not have an environmental study at all and now is on-stream and producing power, and when the Government of Canada today is using environmental studies for the first time, which could go on along with the pipeline study and would not have to be used as a scapegoat?

Madam Speaker: Order, please.

Mr. Lalonde: Madam Speaker, I regret that the hon. member has to resort to such irresponsible statements as the one he has just made—

Mr. Andre: He is right on, and you know it.

Mr. Lalonde: —to try to support his argument. In terms of the James Bay area, which is under provincial control and jurisdiction, the hon. member should know that the government of Quebec did carry out environmental studies. They were carried out by the government of Quebec.

Second, as far as this particular project is concerned, I am amazed, again, that the hon. member would suggest that we would show no respect for the fact that the environmental concerns have not been taken into account appropriately, according to the National Energy Board and, second, that we should ignore and reject the point of view expressed quite clearly, again as recently as last week, by one of the maritime provinces, the government of New Brunswick, which has said that we should be carefully studying all the alternatives.

• (1125)

I am amazed that the hon. member would resort to that kind of argument on an issue which is so important. This pipeline is something for which we have argued and we will keep giving a high priority to it, but we will not do it by running roughshod over the concerns of provincial governments and by ignoring basic issues concerning the environment. I think that is a wise decision.

Some hon. Members: Hear, hear!

DATE NATURAL GAS WILL BE FLOWING INTO MARITIMES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources who has neatly skirted some of the pertinent decisions that should have been made, and promises that were made.

The minister is reported to have stated that he is optimistic that gas will be flowing into the maritime region by 1982-83, but he has also indicated that he does not expect the pipeline to Quebec will be completed by 1985. Can the minister explain this apparent discrepancy and, under those circumstances, how does he plan to get the gas to the maritime region by 1982-83 if the pipeline to Quebec City will not be completed until 1985?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Indeed, Madam Speaker, it would be very hard to reconcile if I had ever said this, but I do not know where the hon. member got this particular information. I was in the House last night and, unless I was misquoted, I argued that, on the contrary, the realization of the pipeline to Quebec City should take place in 1981.

I said that the realization of that pipeline would help the eventual construction of a pipeline to the maritimes, by which time I would hope we would have had the information concerning environmental issues and on the reserves of natural gas off Sable Island. At that time, the Energy Board would be in a position to make recommendations to the cabinet on the basis of the full knowledge of the facts, including environmental factors.

Also, the fact that the pipeline would be constructed as far as Quebec City would allow for an early completion of this line. I do not think I have ever spoken about 1985 being the deadline for the Quebec pipeline. If there is such a report, it is certainly inaccurate.

Mr. Corbett: Can I take it, then, that the minister is committing himself to the statement that he has made, that gas will be flowing to the maritime region by 1982-83, which would naturally be an extension of the pipeline from Quebec City which, as the minister has just stated, should be completed by 1981?

I would like confirmation of that, however, from the minister; and in case the minister is not aware of the commitments that were made by his government, by his leader, and apparently by every other member of the Liberal caucus during the campaign, I have right here a copy of the ad which appeared in the Halifax *Chronicle-Herald*.

At that time, the commitment was made not only to extend the pipeline to the maritime region but to make it reversible. I would ask the minister to secure that commitment, and to assure the Atlantic region that he will indeed see that that pipeline is reversible so that Atlantic Canada will have an opportunity to be an exporter of energy, should they be in that fortunate position.

Mr. Lalonde: Again, the hon. member is trying to distort the answer I gave him a minute ago. He wants me to say there will be a reversible pipeline by 1982-83, whether or not gas is found off Sable Island. If the exploration proves negative and there are no reserves of commercial value over there, surely he would not argue that we must build that reversible pipeline by 1982-83.

It might be that we will have to build a pipeline with reversible capacity, or provide for the eventual capacity for reversible flow, but that is a very different thing from building a reversible pipeline. Indeed, what we indicated during the campaign and in the Halifax speech in which I quoted the Prime Minister is that we would begin negotiations to take immediate action for the construction.

• (1130)

Indeed, we began those negotiations as soon as we took office. We have the report from the National Energy Board. We will have to ensure that all factors are taken into account again and that the whole project will be to the benefit of the workers and consumers in the maritime provinces. That is our objective, that is our priority and that is what we will keep working at.

Mr. Andre: With whom are you negotiating?

Mr. Lalonde: I want to assure the hon. member that we will keep doing this. As to providing a specific date at the present time, again I think it would be irresponsible, before we have the reports and know how things have been going in terms of submissions by the concerned corporations.

Oral Questions

PUBLIC SERVICE

POST OFFICE—REPORT OF CONCILIATION BOARD—GOVERNMENT INTERVENTION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is to the President of the Treasury Board. Last night the report of the conciliation board studying the dispute between the government and the Canadian Union of Postal Workers was handed down to the two parties.

I realize the minister probably has not had time to study the report in great detail, but can he indicate whether or not he intends to reopen negotiations with the union, using this report as a basis for negotiations and, more importantly, will the minister now commit himself to a meeting of himself, the Postmaster General and representatives of the union before the union is in a position to strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, officials of the interested departments, including Treasury Board, are presently studying the report. The labour relations committee will be meeting this afternoon. The Postmaster General will be present at that meeting, as will the Minister of Labour and myself. I presume we will be making announcements after that meeting as to our posture and what further meetings we intend to have at that time.

Mr. Parker: Madam Speaker, in this is a serious matter. They are in a position now to take a strike vote, and I would imagine that is what is immediately taking place and that within seven days we could be in a strike situation.

An hon. Member: We know that.

Mr. Parker: Is the minister prepared to meet immediately with this group, to sit down with the basis of that report and try to reach a compromise at this very, very crucial time?

Mr. Johnston: Madam Speaker, it seems to me that I answered that question. Obviously, it is a matter of the highest priority with this government. That is why a meeting has been convened for late this afternoon between the interested members and other officials involved. I can assure the hon. member that it being a matter of the highest priority, we will do everything possible to try to avert a strike.

Mr. Parker: Madam Speaker, in view of the seriousness of this matter—

An hon. Member: You have already said that.

Mr. Parker: —we are getting letters from everyone throughout the province and throughout the country. I want to ask the minister if he is prepared, on a daily basis, to report to this House as to what is taking place with these negotiations.

Mr. Johnston: Madam Speaker, this government has a policy of open government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Johnston: I can assure the hon. member and all other members of this House that all relevant information which should be made available to parliamentarians will be made available.

Mr. Baker (Nepean-Carleton): It is known as open-ended government.

* * *

BANK OF CANADA

RESISTANCE TO FALL OF INTEREST RATES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Minister of Finance and the first acting minister of finance, perhaps I could go to the second acting minister of finance, the President of the Treasury Board.

My question centres on the rather remarkable treasury bill auction which occurred yesterday when the Bank of Canada resisted the fall of interest rates in this country. Bearing in mind that when the government took power, interest rates in Canada were 2.5 points on the treasury bill level behind those in the United States, and now they are 4 points ahead of the comparable treasury bill level in the United States, would the President of the Treasury Board indicate to the House why this is an appropriate course for Canada to be following?

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I should like to tell the hon. member that indeed what he has said is correct, and that the governor of the Bank of Canada has been following a policy of orderly transition and changes in the interest rates. We are very happy to see the fact that since this government has taken power the interest rates have come down some 3 percentage points.

Some hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, again perhaps I could go to the President of the Treasury Board who, after all, is designated by the Prime Minister as the Acting Minister of Finance in the House.

An hon. Member: That was a mistake.

Mr. Stevens: In view of the fact that the parliamentary secretary has totally ignored the fact that up to the present time the government has claimed it had virtually no alternative but to allow interest rates to rise in this country because of the rising interest rates in the United States, would the President of the Treasury Board indicate why the government condoned the Bank of Canada action yesterday?

It was described by the governor of the Bank of Canada as one in which the "market pressure was resisted by the Bank of Canada, which acted vigorously, particularly in the last week, to moderate the rate of decline"—in our interest rates. It intervened to the extent of actually causing overnight money,

that is, the cost of funds, to go to 18 per cent to 20 per cent just before the treasury bill levels were set yesterday.

Mr. Evans: Madam Speaker, I think the hon. member should realize that the Bank of Canada has followed a policy of moderation and smoothing of fluctuations of interest rates for a very long period of time now.

An hon. Member: You said it was floating.

Mr. Evans: In fact, during the period in which the government of members opposite was in power, interest rates were brought from a situation where they were above those in the United States to a position of some 2.5 to 3 percentage points below those in the United States.

Mr. Stevens: That is not true.

Mr. Evans: That means the Bank of Canada in fact resisted pressures of the upward move of interest rates then, and the Bank of Canada is now following a policy of an orderly reduction in interest rates, which is in the best interests of the country.

Mr. Baker (Nepean-Carleton): This is terrible.

Mr. Stevens: Madam Speaker—

Mr. Chrétien: Strike two; now he is going for strike three.

Mr. Stevens: Madam Speaker, as it is obvious the acting minister of finance is abdicating his role as acting minister of finance, perhaps I could go to the Prime Minister. As the Prime Minister knows, the parliamentary secretary has misled the House.

Some hon. Members: Oh, oh!

Mr. Chrétien: Order.

Mr. Stevens: In fact, on March 5 the Treasury bill rate in Canada was 2.5 points behind the comparable level in the United States. Would the Prime Minister indicate to the House whether he is willing to have the appropriate reference to the Standing Committee on Finance, Trade and Economic Affairs so that that committee can look into the interest rate structure in Canada, such as the Clark government had under way in the previous Parliament?

Mr. Foster: And look what happened to them.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must take exception to the remarks of the hon. member. He seems to object to any answer that does not satisfy his own point of view.

Mr. Stevens: That is not true.

Mr. Trudeau: Certainly, the parliamentary secretary of any minister is enabled by this House to answer in the absence of the minister. Generally, he is closer to the minister than the acting minister because of the very nature of the portfolio. In this particular case, we happen to have a very brilliant economist as a parliamentary secretary—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and I think the hon. member should not complain about getting incomplete answers.

* * *

[*Translation*]

VETERANS AFFAIRS

QUEBEC REFERENDUM—ABILITY OF PATIENTS IN STE. ANNE DE BELLEVUE HOSPITAL TO VOTE MAY 20

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I would like to put a question to the Minister of Veterans Affairs. He is surely aware of the fact that several veterans at the Sainte-Anne-de-Bellevue Hospital in Quebec will only be able to vote at home. Has the minister taken all necessary steps to provide means of transport so they may vote next Tuesday?

[*English*]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, in answer to the hon. member, this has been brought to my attention. People who are on the voters' list have a right to vote. Being in the hospital is not a restriction; they can vote. I might say that for some unknown reason there has been a group of veteran patients in the Ste. Anne de Bellevue Hospital who have been denied the privilege of having their names placed on the revised voters' list. I regret that very much, but those who are able to vote will be assisted to vote in the polling stations set up in the hospital.

Also, I will conclude by saying that our staff in the hospital and the Department of Veterans Affairs will do everything possible to get those who decide to vote, to vote; those who are not cared for by relatives or other people.

* * *

● (1140)

ENERGY

SALE OF SURPLUS FUELS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I should like to go back to the question of the maritime pipeline. I think it is assumed that all of us here are trying to get energy into the maritimes, particularly, at the lowest possible price.

Would the minister consider putting a reference before the National Energy Board, along with the present study, to see whether there is a market in the port cities of Quebec and the Atlantic provinces sufficient to warrant going to the producer companies in the surplus areas of propane and LPG fuels, where they are offering this very fine type of fuel at distress

prices; these are the North Sea producers, North Africa, Venezuela and through the Persian Gulf?

Would the minister consider putting that as an additional term of reference to the National Energy Board, to see if there is a market and then get the Commodities Credit Corporation or PetroCan to deal with these producers to see whether we can get access to a 20-year contract for this cheap fuel?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the report of the National Energy Board has given extensive consideration, as a matter of fact, to the markets that would be accessible to natural gas via a pipeline to Quebec City and the maritimes.

As to the suggestion made by the hon. member, I will take note of it and I will certainly give it very careful consideration. I think it is a very worth-while suggestion. I will consult with my officials and examine whether, indeed, there would be some advantage in asking the National Energy Board to give consideration to the point raised by the hon. member.

As the hon. member knows, however, although there may be some surplus, there are countries like Algeria, for instance, that are asking a lot more for their LPG these days, and the question of whether it could be competitive would certainly be a matter that would need to be looked into. I will certainly give consideration to the hon. member's suggestion.

* * *

INDUSTRY

CASH REBATE ON TRUCKS AND CARS—AVAILABILITY IN CANADA

Mr. Rod Murphy (Churchill): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

In light of the fact that Chrysler Canada announced this week that Canadian buyers of trucks and cars would not be receiving the same cash rebate of $200 to $1,000 that is being offered to buyers in the United States, and in light of the fact that the latest consumer price index increase is due in part to higher car prices, will the minister take steps to ensure that the same rebate program is offered to Canadian consumers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will look into this and get back to the hon. member. I think it is interesting to note that the total consumer price index in Canada increased by .7 per cent, seasonally adjusted, from the March level. This is appreciably lower than the 1.1 per cent advance registered in the immediately preceding month. Also, the 12-month rise is down marginally from the 12-month rise in the preceding month. I am surprised that the hon. member did not recognize that.

Mr. Murphy: Madam Speaker, I am glad the minister had the chance to make his statement to the House. In view of the fact that the amount of money coming from this government is much higher, proportionally, than the money coming from the United States government to Chrysler Canada, and in view of the fact that the minister has known that Chrysler Canada was not offering these rebates to us for some length of time, will the minister get in touch immediately with Chrysler Canada to make sure that we, as Canadian consumers, get just as good a deal from Chrysler, especially since it is getting such a good deal from us?

Mr. Gray: Madam Speaker, I am very glad my hon. friend in the NDP has officially recognized that we have obtained a good deal from Chrysler for Canadian workers and the Canadian people generally. I would like to make sure that is on the record.

Contrary to what my hon. friend says, we are not giving Chrysler money; we are not loaning them money directly; we are not giving them a grant; but we will be putting in place loan guarantees only in 1982, and only if it meets certain important terms and conditions.

As I have said to my hon. friend, I will be very happy to go into the matter he has raised. I must say that I was not aware of the details he has provided on this rebate program; but it is important that it be confirmed by the NDP that we have obtained a good deal from Chrysler for Canadian workers and the Canadian people.

Some hon. Members: Hear, hear!

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[*Translation*]

ENERGY

REQUEST FOR ASSURANCE NATURAL GAS PIPELINE TO QUEBEC NOT POSTPONED

Mr. Maurice Dupras (Labelle): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and has to do with the extension of the pipeline to Quebec. Given the great many jobs—some 30,000 person-years, they say—created to carry out this project and also the economic effects that a market of about $1.1 billion represent, for Quebec, has the minister obtained guarantees from Quebec that there will not be any undue and unwarranted delay, as was the case in Boisbriand, in this project?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, indeed I found deplorable the delays incurred in the implementation of this project, at least as regards the section between St-Lazare, Quebec, and Boisbriand, since it would otherwise have been possible to provide access to natural gas to tens of thousands of Montreal area residents and homes as early as this fall. The agencies concerned within the government of Quebec did not give this issue enough priority to allow for the completion of the project this year, at least as far as Boisbriand.

On the other hand, it should be noted that in its white paper the PQ government heralds access to natural gas in Quebec as being a very high priority. I therefore hope that Quebec

authorities and agencies will take appropriate action so that this project can be accomplished without further delay and Quebeckers can use natural gas within the proposed time frame, that the project be completed during 1981. I count on the full co-operation of the Quebec government in this matter.

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[*English*]

CIVIL DEFENCE

REQUEST FOR NEW EMPHASIS ON POLICIES AND INCREASED BUDGET

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is addressed to the minister responsible for planning and policy regarding civil defence, specifically the Prime Minister in this case.

In view of the concerns expressed by the Prime Minister, by the Leader of the Opposition and, indeed, by the Prime Minister of Japan, that we are entering a dangerous decade fraught with instabilities and deteriorating super power relations, given the prediction by a U.S. congressional committee that in the event of a nuclear attack on United States targets only, there would be up to two million casualties in Canada, and recognizing the acceleration of civil defence planning among those nations who pose a threat, as well as among our allies, is the Prime Minister prepared to place a new emphasis on civil defence policies and planning and increase the budget for civil defence in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had notice of the question. I am periodically briefed on the state of our civil defence. I know the structure is in place and I know that the provincial and municipal authorities, which are essential to the setting up of this structure, are co-operating. I have no cause now, nor have I received a request, to believe that there is need for increased funding. But I will look at the suggestion of the hon. member and make a decision on that basis.

Mr. Wenman: Thank you very much, Madam Speaker. I accept the Prime Minister's response and anticipate a positive investigation. Specifically, I think he will find that the structures, while they might be in place, are decentralized to the point of chaos and that, in fact, the budgets have been decreased substantially over the past few years.

● (1150)

In view of the fact that the Soviet Union spent an estimated $65 billion on civil defence in the last ten years, that the Chinese possess a tunnel network capable of sheltering most city populations in a few minutes, that the French Senate called this week for urgent construction of atomic shelters because of heightened risk of nuclear war, and even United States cities are formulating contingency plans for the evacuation of inhabitants of their major cities, and in view of the reality that Canada has no shelter policy for Canadians, will the Prime Minister inform the House what measures are planned for Canadian cities in the event of a nuclear crisis and, in particular, for cities like Vancouver that sit in the shadow of military and industrial targets at close proximity in Seattle?

Mr. Trudeau: Madam Speaker, I will see if there is not a report which can be released and which may perhaps contain an update of the situation in civil defence. The hon. member complains about its decentralization character. Of course, he is aware—because of his interest in it—that this is the very nature of civil defence, that it must be decentralized. It has been structured on that basis to ensure that in the event of disruption of any one centre, the other centres can continue to operate and carry out their duties.

In a case of the government itself, a former prime minister, the Right Hon. John Diefenbaker, had constructed at Carp, not far from Ottawa, an area wherein the government could be carried on. There is provision there for not only the Governor General but the Prime Minister to remain in residence. I had the pleasure of visiting that underground complex some years ago.

Mr. Cossitt: Is there a pool and an $80,000 Cadillac?

Mr. Trudeau: I will see if we can make room there for the hon. member for Leeds-Grenville, who certainly would be a very pleasant companion in such a place.

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FISHERIES

NON-RATIFICATION OF U.S.-CANADA EAST COAST TREATY

Hon. James A. McGrath (St. John's East): Madam Speaker, I should like to put a question to the Minister of Fisheries and Oceans, who certainly knows how to talk tough to the provinces when that is required. I wonder if he is prepared to manifest the same degree of toughness with the Americans, now that it seems evident they have shelved for this year ratification of the east coast treaty.

My question to the minister is, in my estimation, no longer hypothetical: what steps is the government taking to protect the interests of the Canadian fishermen on the east coast of Canada in the absence of ratification of the treaty by the U.S. Senate? What steps is the government taking to ensure that these very important stocks, specifically the scallop stocks, are protected from the evident overfishing now taking place by the Americans?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, no later than yesterday morning I was discussing this issue with the American ambassador who was paying the usual courtesy visit. We reviewed this whole matter.

Also my colleague, the Secretary of State for External Affairs, informed me yesterday that in his first meeting with Secretary of State Muskie he had raised this very issue. The Canadian government's interest has been very clearly indicat-

ed to the United States Administration. As to whether the Senate will proceed, it is difficult for us to negotiate directly with the U.S. Senate, obviously.

As to the steps taken, while not prejudging whether the Senate will or will not ratify in the coming weeks, the fact is that we have made it very clear to the United States that no longer can we hold our fishermen back and see the level of the American catch increase, to our disadvantage. We had hoped that the treaty would be ratified by this time and that both sides would practice good conservation. We cannot hold our fishermen in a position that penalizes them in relation to their American counterparts.

Mr. McGrath: Madam Speaker, perhaps I could put a question to the Secretary of State of External Affairs. Last week he gave the House an undertaking that he would take this matter up with Secretary of State Muskie. He has obviously already done that. Can he report to the House on the outcome of his meeting with Secretary Muskie? May I also say to the minister, by way of a question, that the Americans are always talking about fraternity and friendship toward us. Did the minister tell his U.S. counterparts that this would be a tangible way for the U.S. Congress and the U.S. people to express their friendship and fraternity with Canada, by getting on with ratification of the treaty we negotiated in good faith?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Mr. Muskie is no longer in the American House, so he is not able to speak on behalf of Congress. He now speaks for and deals with the administration. I made the strongest possible representations to him during our meeting.

The prospects for the treaty at the moment in the U.S. Senate are uncertain. The U.S. government, however, is certainly under no illusion about how high a priority we place on this treaty. My colleague and I, and other ministers, are formulating plans for dealing with the present situation.

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THE CANADIAN ECONOMY

RISING INTEREST RATES—REQUEST FOR COMMITTEE INVESTIGATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to follow the line of questioning put to the right hon. Prime Minister by the hon. member for York-Peel. Is the Prime Minister prepared to confirm that when his government took office on March 5, the interest rates on treasury bills in Canada stood at 13.68 per cent, and that the comparable U.S. rates stood at 16 per cent, some 2.5 per cent higher than ours? Is he prepared to confirm that?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as you know, statistical questions are not in order. I would be happy to attempt to answer this one by asking for time and inquiring into it. I will have the answer sent directly to the hon. member by Statistics Canada.

Mr. Baker (Nepean-Carleton): Madam Speaker, I appreciate the answer. I think the Prime Minister will probably find that this will be confirmed, but I was asking for his confirmation as head of the government. The interest rate on treasury bills in Canada presently stands at 13.09 per cent, while the comparable U.S. rate is 9 per cent, a considerable amount lower than Canada, and Canada seems to be at some disadvantage.

Given that situation would the Prime Minister consider speaking to the Minister of Finance, if necessary, or take some steps himself to arrange for the convening of the standing committee and arrange for the appearance before it of the Minister of Finance and the governor of the Bank of Canada, so that these matters can be cleared up?

I ask that question because this is a matter that the government was considering. Would he give it favourable consideration now, and indicate to the House the attitude of the government having those two people appear, so that we can continue the study of the distressing interest rates situation and the differential between Canada and the United States?

Mr. Trudeau: Madam Speaker, as far as the facts are concerned, I repeat that I do not know, but I take the hon. member's word if he says that figures in the United States and Canada stand as they do, then I assume they do. If he wants to argue the point of why one country should have a higher rate than the other, I suppose it can be tied to the state of the economy in both countries.

It should be clear to the hon. member that the United States have entered a serious recession, which Canada has not yet entered. We are concerned, of course, with the effect if might have on us. This is a matter of economic argument and discussion. In the last two days, the party opposite was free to ask any minister to appear in the House and to ask them questions. It is my understanding that they have not invited the Minister of Finance to discuss these very questions. I will convey to him the concern of the hon. member, but I am sure his answer will be, "I was there; I was available. Why did they not ask me questions, rather than wait for the day that I am not there?"

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a supplementary to those questions to the Prime Minister. Since he does not know how our interest rates have changed over time and how the American interest rates have changed, I should like to ask him a direct question.

Governor Bouey said yesterday that it was the policy—I see him pointing somewhere else to another brilliant economist: I am quite satisfied to ask him, and I am sure he is competent to answer this question. The Governor of the Bank of Canada said yesterday that it was now the policy of the Bank of Canada to stop Canadian interest rates from falling and to keep them up at an artificial level.

I should like to ask the Prime Minister if that is the policy of his government at a time when unemployment figures announced on Tuesday showed a rise, and when we have had 49 months of unemployment at over 7 per cent.

Mr. Trudeau: Madam Speaker, the hon. member suggested that I was pointing at another brilliant economist. I would suggest he should be more modest and hear the answer from the parliamentary secretary.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, as has been clear from previous statements, the policy of the Bank of Canada traditionally had been to moderate extreme fluctuations in the interest rate. That has been the policy, it continues to be the policy, and if it had not been for the policy of the Bank of Canada in the past to moderate upward changes in the interest rate, the interest rate in Canada would have exceeded or have continued to exceed that in the United States, which went far higher than that in Canada over the last year.

● (1200)

The policy of the Bank of Canada is to moderate interest rate changes so that we have an orderly market in this country, and that is the policy the Bank of Canada is continuing to follow.

Mr. Rae: Madam Speaker, perhaps one could say that brilliance, like moderation, lies in the eyes of the beholder. My supplementary question is to the President of the Treasury Board. I would like the President of the Treasury Board to reflect on the fact that our artificially high interest rates are causing a run on Canada Savings Bonds which this week amounted to $345 million.

Given the policy of the governor of the Bank of Canada in propping up the interest rate, what is the policy now of the President of the Treasury Board, given the fact that this run on savings bonds is causing tremendous problems in debt management for his government.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I can assure you that in looking for brilliance, I am looking down this side of the House.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): That is barren ground.

Mr. Stevens: You will not find it there.

Some hon. Members: Hear, hear!

Mr. Johnston: Clearly, this question is one which should be addressed to the Minister of Finance.

Mr. Stevens: You are the acting minister of finance.

Mr. Johnston: The Minister of Finance is not here today. The parliamentary secretary has given very complete answers.

Some hon. Members: Hear, hear!

Mr. Johnston: A number of us, particularly myself, Madam Speaker, have been in this House for two days answering questions in Committee of the Whole. As, the Prime Minister has pointed out, I do not recall any suggestion that the Minister of Finance should appear; but I am confident that the Minister of Finance will be pleased to respond to the questions put by the hon. gentleman on his return to the House next week.

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CONSUMER AFFAIRS

EXPLODING POP BOTTLES—SOLUTION THEREFOR

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs. In light of the fact that the banning of 1.5 litre size of soft drink bottles has caused uncertainty to distributors, bottlers, retailers and consumers, what steps has the minister taken to come to a long-term, responsible solution of this problem?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I intend to introduce regulations under the Hazardous Products Act which will allow sales of 1.5 litre size of soft drink bottles of an improved safety performance. These bottles will have to pass the department's drop and drill tests. These bottles will also have to have a bilingual label indicating some of the dangers if they are not handled carefully.

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PRIVILEGE

MR. COSSITT—COMMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS ON S.O. 43 MOTION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a question of privilege concerning a remark made by the Secretary of State for External Affairs (Mr. MacGuigan) who declared rather loudly recently that a motion under Standing Order 43 could not receive unanimous consent from the government because of failure to consult him.

It seems to me that this is a clear infringement on the privileges of any member of this House, whether they are on that side or this side of the House. In particular, he is speaking of his department, but is he trying to tell this House, or a member in this House, that we have to go to him, grovel at his feet and ask him if we have the privilege of moving a Standing Order 43 motion with which he happens to agree? That is an absolutely ridiculous, foolish and incredible statement, yet he made it in this House less than an hour ago.

I should like to say that my privileges are being interfered with if I have to grovel at the minister's feet or at the feet of the Prime Minister (Mr. Trudeau)—even if he is out at Carp or wherever he happens to be—or for that matter at the feet of anyone else on that side of the House. I feel that I have a legitimate question of privilege because my rights as a private member to move a Standing Order 43 motion for consideration by all members in this House, without bias and with sensible

consideration, is being hindered by the Secretary of State for External Affairs.

If I have a legitimate question of privilege, I would therefore reserve my right to move a motion that it be referred to the Standing Committee on Privileges and Elections.

Madam Speaker: On proceedings pursuant to Standing Order 43, the Chair only determines whether there is unanimous consent. That is the only thing that is relevant to motions under Standing Order 43.

MR. MACGUIGAN—COMMENT OF HON. MEMBER FOR LEEDS-GRENVILLE

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I believe I have a question of privilege because the hon. member for Leeds-Grenville (Mr. Cossitt) opposite has misstated what I shouted across to him in the House.

I have never challenged his right to present any motion in the House, including a motion under the provisions of Standing Order 43. I was suggesting that if he wanted my consent he might let me know in advance so that I could consider the terms of his motion. If he did not understand that, then he has not spent as much time in this House as he should have.

Mr. Cossitt: On the same question of privilege, Madam Speaker—

Madam Speaker: Order, please. I have not given the hon. member the floor. I do now give him the floor. The hon. member for Leeds-Grenville.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, the minister has told the House that I did not listen to what he said. I do not know whether *Hansard* will pick it up, but I do know that when he yelled "No" in a very loud voice and when I asked him why, he said, "Because you did not consult". The minister made it very clear that that was why. In other words, he laid down the regulation that those of us on this side of the House must consult with him if we wish unanimous consent.

That was the point in my previous question of privilege. He has twisted what he said himself into something else entirely in order to try and make it look as if I am raising something that is not so. But he knows what he said. I hope the record will show what he said, and he is very definitely infringing on the privileges of members of this House.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think one thing ought to be made clear. What the hon. member just said is not totally accurate. The minister said that if the hon. member wanted to move a motion pursuant to Standing Order 43, he was absolutely free to do so on any subject at all, insignificant though it might be. We are used to hearing silly motions in this House. However, the minister said that as far as he was concerned, if the hon. member wants the minister's consent and not the unanimous consent of the House and if the minister refuses to give his consent, logically unanimity no longer exists. The minister would rather be consulted in advance because in the field of external affairs, most matters are touchy. It is a simple matter of politeness and courtesy.

I do not want to compel my colleague to be courteous and polite, but I would not want him to feel offended if he does not have the minister's consent on issues of external affairs. What the minister said in no way infringes the privileges of the hon. member or of other members of the House. Progressive Conservative members have the right to move any motion they wish under Standing Order 43, it is their privilege as it is the privilege of all members of the House. We have nothing against that. However they should not take exception to the fact that there is no unanimous consent or that they are not getting the consent of a particular member or minister. Every member on either side of the House has the privilege of answering yes or no to these motions.

Again, Madam Speaker, all members are absolutely equal. So if it is true that the hon. member is at liberty to move any motion he wants, insignificant as it may be, it is equally true that all members, be they ministers or Progressive Conservative or New Democrat members are all free to say yes or no. That is the way the Standing Orders of this House are set up.

Madam Speaker: It is clear that we are engaging in a debate on what a minister or a member said or did not say. Therefore this does not constitute a question of privilege.

[*English*]

MR. HOVDEBO—ROGERS PASS PROJECT—REMARKS OF MINISTER OF TRANSPORT

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise on a question of privilege regarding an answer given to this House by the Minister of Transport (Mr. Pepin). This was an answer to a question about corporate blackmail by Canadian Pacific Railway in threatening to freeze the $300 million Rogers Pass project until Ottawa agrees to reverse the Crowsnest rate for grain shipments. The minister's answer as it appeared in *Hansard* yesterday is as follows:

● (1210)

Madam Speaker, one of my dedicated assistants was in touch with the CPR this morning, and I am somewhat amused by the result of that call as the CP rail authorities maintain that they have been misquoted on this subject. So, for a change it is interesting to see that businessmen can also be misquoted. This is not what they meant to say.

We have confirmed that the statement which I used yesterday was not a misquote, that the several reporters who were present all came away with a similar understanding. There has been no retraction from Canadian Press, and the Edmonton *Journal* had an almost identical story yesterday. It therefore appears that the Canadian Pacific Railways misled the minister in suggesting they had been misquoted and that the

Minister of Transport inadvertently misled this House by accepting their word.

There seems to be little doubt that what went on was a classic case of corporate blackmail by Canadian Pacific in its attempt to establish transportation policy themselves rather than leave that to the prerogative of the Government of Canada. The minister was misled by Canadian Pacific; he in turn inadvertently misled the House. I believe this is a legitimate case of privilege and if you so find, Madam Speaker, I am prepared to move:

That this matter be put before the Standing Committee on Privileges and Elections who could ask Canadian Pacific to appear before the committee to explain why they misled the House and how they can justify such blackmail of the Canadian people.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I might just say a few words. This discussion illustrates the difficulty with conversations. What I heard from my assistant and what he heard from the president of Canadian Pacific is very difficult to assess, but I think the substance is clear. Canadian Pacific is confronted with a dilemma. On the one hand, their forecasts of the requirements for traffic in the area are such that they think the tunnel should be built. On the other hand, their revenue situation, presumably because of the Crowsnest Pass rate, is such that they as a private enterprise feel that the returns will not justify the expenditure. This is the dilemma they face. I was trying to report on that. I am sorry if I was a bit humorous. Sometimes, it works, sometimes it doesn't.

Madam Speaker: It seems that here again we are discussing whether a member of Parliament is satisfied with an answer given by a minister. This does not constitute a question of privilege. Moreover, the motion presented at the end of the hon. member's intervention is a substantive one, that kind of motion which can be used to refer questions to any other committee. I suspect the hon. member knows that.

MR. SCOTT (HAMILTON-WENTWORTH)—PROPOSED EXPANSION OF MOUNT HOPE AIRPORT—REMARKS OF MINISTER OF TRANSPORT

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise very briefly on a question of privilege. During a somewhat spirited discussion in the House of Commons last night between the Minister of Transport (Mr. Pepin) and myself, I once again tried to put on the record of this House that the previous Conservative government's commitment of $45 million to the expansion, development and upgrading of Hamilton civic airport was in fact a "go" decision.

The Minister of Transport, I suspect quite inadvertently, certainly not deliberately because I know he would not want deliberately to mislead the House, suggested that the $45 million was simply a commitment in principle; not a firm commitment by the former minister of transport and president of the treasury board, but just a commitment in principle. He suggested that if I had proof otherwise, I could bring it to the House and offer him that proof.

I was not a member of the Privy Council and I was not sitting in cabinet when that decision was made. There are other members in this House who were privy to that decision. I would just like respectfully to suggest to the Minister of Transport that that $45 million was a very firm commitment by the Government of Canada to go ahead with expansion and upgrading of Hamilton civic airport.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, as I was at least one of the participants involved in the previous government with respect to this decision, I naturally read with interest the comments last night of the Minister of Transport (Mr. Pepin), particularly those in response to questions put by my colleague whose question of privilege is now before us. I thought I might shed some light on this.

I think we are engaged in a rather unfortunate twisting of terminology. The truth is that on January 25, on behalf of the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski), the then minister of labour announced that there would be a major expansion of the Mount Hope airport at Hamilton at an estimated cost of $45 million. He went on to state that as a result of the decision, and I quote:

—Transport Canada will shortly request proposals for consulting services involving the design of the terminal building and other related facilities.

Yesterday the Minister of Transport indicated, to use his words, that the decision of the previous cabinet was a decision in principle by the cabinet, and there was a heavy inference that it never received Treasury Board approval. In fact, much to my amazement, the Minister of Transport stated that if it had received such approval, it would be in the present estimates because these are the estimates of the previous administration.

The Minister of Transport is a veteran not only of the House but of previous governments. He knows that main estimates are prepared literally months if not a year in advance. The main estimates that we now have before us are estimates that were finalized in mid-December. The decision to go ahead with the Mount Hope expansion was made in January. It was naturally anticipated that as the funds were required, there would be supplementary estimates needed in order to cover that expenditure.

As far as the previous government is concerned, it is most important to note that cabinet approval in principle was obtained for an investment in the order of $45 million for the Hamilton airport development. Cabinet had also authorised the Department of Transport to proceed with the planning for the airport and to consult with the airline industry, the province of Ontario, adjacent municipalities and the general public in the course of this planning.

The justification for asking Treasury Board—and this has already been put into *Hansard*—simply for $220,000, which was something to be charged against vote 65, air transportation, capital expenditure, was to get the matter moving at the earliest possible opportunity. The agreement in principle was there. Unless the present government now decides to reverse

that agreement in principle, it was fully intended that that airport expansion should go ahead.

I would think that it was anticipated we would have to find within the appropriate envelope system the $45 million that would be needed to ensure that that airport could be built within the time-frame that, incidentally, was referred to in the press release to which I have referred. The press release stated:

—construction is planned to begin in 1980-81 and should be completed by 1984-85.

● (1220)

In short, I think it is unfortunate that the Minister of Transport should have shed some doubt about a firm commitment made by the previous government to go ahead with this airport project at an approximate cost of $45 million. Treasury Board agreed to the only thing it had been asked to agree to up to that point, that is to say, to approve the $220,000 funding for the consulting services which was needed to expedite the project. But it was clearly understood that the Department of Transport would then follow up with more definitive plans which could, presumably, be cleared subsequently by the Treasury Board unless, and I emphasize this, Madam Speaker, the government of the day decided to reverse the commitment it had entered into in principle during our administration to go ahead and build the airport.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my contribution will be very short indeed. We will let the people of Hamilton decide who is right and who is wrong in these matters. I repeat what I said yesterday. To the best of my knowledge, first, this was an election promise, one of many others. Unfortunately, if I were to honour half of the promises which were made during those months of January and February, I would be out of business for the next three years. So, first of all, it was an election promise. Second, it received the beatification of cabinet "in principle". Third, it was not sent to the Treasury Board to go through the rigours of analysis except for the part which had to do with the consultant services; we agree on that. Finally, if the amount of money was in the envelope I must have looked at a different envelope because I did not see it there.

So we will leave it at that and the people of Hamilton will judge the amount of importance, the credibility, to be given to that $50 million promise. However, I want to promise on my own, and I said this repeatedly yesterday, that I have the best of intentions, the best of motives, the best of dispositions with respect to the Hamilton airport, the Mount Hope airport. I mean well. I just want to be responsible and do what needs to be done. If it is $50 million, so it will be. I just do no want to be tied because I think it would be irresponsible on my part to be tied to a figure, either this one or the one previously mentioned.

Mr. Stevens: On a point of clarification—

Madam Speaker: Order, please. I think I will rule on this question. I think I have heard a sufficient number of interventions.

[*Translation*]

I believe that again we are dealing with a debate. It is clearly a debate and therefore not a question of privilege. In addition, I should like to point out to hon. members who have risen so far in this debate that I listened to them to the end but that it became very obvious early in their intervention that they were dealing with remarks made last night. Consequently, hon. members had every opportunity of giving me notice of their question of privilege, as our rules require. I had to listen to them today because, of course, the proceedings in progress can give rise to a question of privilege. But that is not the case in this instance, and as a consequence I should have been grateful for getting notice of that question of privilege.

[*English*]

Mr. Stevens: On a point of order, Madam Speaker, I naturally acknowledge your decision on the question of privilege but I think it raises a matter of order that the Minister of Transport should have left the impression that all we have been talking about is some type of vague election promise. I am not reflecting on your decision but I want to make it clear as a point of order that the reference from which I was reading is to be found in a document in the minister's own department.

There should be absolutely no confusion in his mind as to what took place under the previous government. Therefore, I ask that he table that document, which is dated February 7, 1980, is addressed to the Treasury Board and sets out this matter in its entirety. I believe the House will see that it was not an election promise but a firm cabinet decision being acted upon. It is most misleading for the Minister of Transport to indicate otherwise.

Madam Speaker: It is not up to the hon. member to correct *Hansard*. If he feels the minister has not given him an adequate answer, or if the minister feels he should correct *Hansard* because he has not been properly reported, he could do so himself.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-29, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the March 31, 1981.

THE ROYAL ASSENT

[*English*]

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Madam,

I have the honour to inform you that the Hon. Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, May 16, at 12.45 p.m., for the purpose of giving royal assent to a bill.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

ROUTINE PROCEEDINGS

[*Translation*]

INTERNAL ECONOMY COMMISSION

Hon. Yvon Pinard (President of the Privy Council) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved order in council appointing the Hon. Pierre De Bané, Minister of Regional Economic Expansion, the Hon. Yvon Pinard, President of the Queen's Privy Council for Canada, the Hon. Donald Johnston, President of the Treasury Board and the Hon. Paul J. Cosgrove, Minister of Public Works, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada, 1970, intituled: an act respecting the House of Commons.

* * *

[*English*]

INTERNATIONAL LABOUR CONFERENCE

TABLING OF DOCUMENT ON CANADIAN POSITION ON CONVENTIONS AND RECOMMENDATIONS

Mr. Gilbert Parent (Parliamentary Secretary to the Minister of Labour): Madam Speaker, under the provisions of Standing Order 41(2) I wish to table a document entitled "Canadian Position with Respect to Conventions and Recommendations adopted at the 61st, 62nd (Maritime), 63rd and 64th Sessions of the International Labour Conference in Geneva of June, 1976, October, 1976, June, 1977 and June, 1978".

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 190, 297, 298, 299, 300, 301, 302, 303, 337, 338, 340, 352, 363, 367, 369, 566, 604, 617, 645, 670, 700, 768.

[*Text*]

CANADIAN PATENTS AND DEVELOPMENT LIMITED

Question No. 190—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Canadian Patents and Development Ltd.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): In so far as Canadian Patents and Development Limited is concerned:

	Revenue	Profit/Loss
1. (a) 1977	$1,049,963	$ 1,945
(b) 1978	$ 898,278	$ (129,463)
	1977	1978
2. (a)	$ 250,000	$ 250,000
(b)	Nil	Nil
(c)	$ 296,199	$ 296,199

CANARCH LIMITED

Question No. 297—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canarch Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Authorized: 50,000 6 per cent non-cumulative, redeemable preferred shares at $10 par value.
50,000 common, no par value
Issued: 1,000 common for $1,000.
(b) No change in capitalization

2. Nil. This is not an active company.

CANADIAN GENERAL ATOMIC CORPORATION

Question No. 298—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadian General Atomic Corporation Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Order Paper Questions

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Authorized: 50,000 common, no par value
   Issued: 9 shares at $1
   (b) No change in capitalization.

2. Nil. Not an active company since 1966.

CANADAIR SERVICES LIMITED

Question No. 299—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadair Services Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Authorized: 50,000 common, no par value
   Issued: 1,000
   (b) No change to report in capitalization.

2. Present retained earnings: $245,545.

CANADAIR INTERNATIONAL LIMITED

Question No. 300—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadair International Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Authorized: 1,000,000 common, no par value
   Issued: 1,005 for $1,005.
   (b) No change in capitalization.

2. Nil. This is not an active company.

CANADAIR INC.

Question No. 301—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadair Incorporated at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. Nil.

   Canadair Incorporated did not exist at the time of the government acquisition of Canadair Ltd.

2. The present level of retained earnings by Canadair Inc.: $102,579.

CANADAIR GMBH

Question No. 302—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadair GMBH at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Authorized and issued: $4,538
   (b) No change in capitalization.

2. Nil. This is not an active company.

CANADAIR FLEXTRAC LIMITED

Question No. 303—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Canadair Flextrac Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce:

1. (a) Authorized: 120 Class A common, no par value
   880 Class B common, no par value
   Issued: 120 Class A for $120
   (b) No change in capitalization.

2. Nil. This company is inactive and all the assets have been sold.

DVA—DOUBLE BANKED POSITIONS

Question No. 337—**Mr. Herbert:**

1. Are any positions presently double banked in the Department of Veterans Affairs and, if so, how many?

2. What is the estimate of the total number of positions that will be double banked?

3. Will all double banking of positions be exclusively in Ottawa and, if not, how many will be (a) in Prince Edward Island (b) elsewhere?

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

1. Yes, 16.

2. The estimate of the total number of positions that will be double banked in 1980 is 24. The number beyond 1980 cannot be determined at this time.

3. All double banking will be in Ottawa.

DVA HOSPITALS

Question No. 338—**Mr. Herbert:**

1. What are the locations of hospitals and nursing homes administered by the Department of Veterans Affairs?

2. (a) How many (i) chronic care (ii) other patients are presently at each location (b) how many beds are not occupied and what is the number of veterans on the waiting list at each?

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

1. Ste-Anne's Hospital,
Ste-Anne-de-Bellevue,
Québec.

Rideau Veterans Home,
Ottawa, Ontario.

Deer Lodge Hospital,
Winnipeg, Manitoba.

Saskatoon Veterans
Home,
Saskatoon,
Saskatchewan.

2. (a)

	(i)	(ii)
Ste-Anne's Hospital	513	460
Rideau Veterans Home	—	110
Deer Lodge Hospital	171	131
Saskatoon Veterans Home	—	72

(b)

	Unoccupied Beds	Waiting* List
Ste-Anne's Hospital	113	55
Rideau Veterans Home	0	12
Deer Lodge Hospital	62	24
Saskatoon Veterans Home	8	19

*The figures in this category reflect the number ot veterans awaiting a bed for the appropriate service of the hospital, (medical, surgical, domiciliary care, etc.).

DVA—PROCESSING OF PENSION APPLICATIONS

Question No. 340—**Mr. Herbert:**

1. What is the average time to process the pension application of a veteran to the first level of acceptance or rejection?

2. (a) What percentage of the applications are granted at the first level (b) what additional percentage of applications are eventually granted after rejection at the first level?

3. Is the effective date, when a pension is granted, backdated and, if so, what percentage are (a) prior to the date (b) on the date (c) after the date of the application?

Order Paper Questions

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

1. At March 31, 1980: Disability pension application—8 months.

Survivors benefits application—3.9 months.

2. In fiscal year 1979-80:

(a) 38.1 per cent

(b) 24.8 per cent taken to next level were granted.

22.8 per cent taken to final level were granted.

54.1 per cent of all claims submitted were granted.

3. No statistics are maintained, however;

In applying the provisions of the Pension Act most awards are effective from the date of application. In a very few cases, those adjudicated at the second and third levels, the effective date of the award may be later than the date of application. However, in any case where a delay beyond the control of the applicant has occurred, the act provides that an additional award in an amount equivalent to up to two years pension may be made to compensate for the delay.

DEPARTMENT OF COMMUNICATIONS—EMPLOYEES

Question No. 352—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Communications (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

1. (a) 29
(b) (i) 8
(ii) 1

2. (a) 29
(b) (i) 8
(ii) 0

3. No.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—EMPLOYEES

Question No. 363—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Industry, Trade and Commerce (b) how many were (i) francophones (ii) females?

2. What are the present totals?

Order Paper Questions

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a)	75		
(b)	(i)	Francophone	10
	(ii)	females	Nil
2. Present total			75
	(i)	Francophone	10
	(ii)	female	Nil

3. Yes, structural changes occurred in the department since March 31, 1979; no change in the number of SXs employed.

DEPARTMENT OF NATIONAL DEFENCE—EMPLOYEES

Question No. 367—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of National Defence (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SXs employed?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. (a)	21		
(b)	(i)		2
	(ii)		Nil
2. (a)	21		
(b)	(i)		2
	(ii)		Nil

3. No

TREASURY BOARD—EMPLOYEES

Question No. 369—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Treasury Board (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Board since March 31, 1979, and, if so, what effect did such a change have on the number of SXs employed?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board):

1. (a)	102		
(b)	(i)		23
	(ii)		9
2. (a)	105		
(b)	(i)		19
	(ii)		14

3. The reorganization of the office of the Comptroller General of Canada led to an increase of 11 SX positions.

CZECHOSLOVAKIAN EMBASSY PERSONNEL

Question No. 566—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from Czechoslovakia?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the Czechoslovakian diplomatic service who are either non-Canadians or Czechoslovakian nationals?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

Accredited Diplomats from Czechoslovakia

Name	Title	Date of Arrival
Stefan Murin	Ambassador	September 27, 1976
Antonin Simecek	Counsellor	May 18, 1978
Colonel Jaromir Siroky		
Attaché	Military and Air	May 2, 1977
Andrej Gula	First Secretary	September 21, 1978
Emil Ondrus	Second Secretary	January 8, 1977
Vladimir Huska	Third Secretary	August 15, 1977
Jaroslav Klinkacek	Attaché	September 20, 1976
Josef Zabokrtsky	Consul-General	June 30, 1978
Miroslav Otta	Consul	August 3, 1978
Jaromir Fuxa	Vice-Consul	November 13, 1976
Jozef Lipar	Vice-Consul	March 22, 1979
Miloslav Zboril	Vice-Consul	April 26, 1979
Vaclav Kristl	Vice-Consul	November 11, 1975
Petr Hruby	Vice-Consul	August 18, 1978
Petr Brezina	Vice-Consul	January 17, 1980
Jiri Dostal	Vice-Consul	February 28, 1980
Vitezslav Polak	Vice-Consul	August 26, 1979

Members of Staff—Czechoslovak Nationals

Ruzena Soukupova	February 12, 1977
Zdenka Srenkova	November 21, 1977
Zdenek Voldrich	November 9, 1978
Nada Suroviakova	August 16, 1979
Jan Polak	December 6, 1979

DEPARTMENT OF JUSTICE—LAWYERS

Question No. 604—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Justice?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): As of April 30, 1980, there were 488 lawyers on the staff of the Department of Justice. That figure includes a total

of 159 Department of Justice lawyers who are physically located with other government departments for the purpose of providing legal services.

A total breakdown of Department of Justice legal officers is as follows:

Department headquarters	138
Departmental legal services units	159
Regional offices	191
	488

DEPARTMENT OF NATIONAL DEFENCE—LAWYERS

Question No. 617—**Mr. Howie:**

How many lawyers are employed on staff in the Department of National Defence?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): As of April 1, 1980, there are 49 legal officers (military) in the Department of National Defence.

CFB GAGETOWN

Question No. 645—**Mr. Howie:**

How many civilian personnel were employed on staff at CFB Gagetown on April 1 (a) 1980 (b) 1979 (c) 1978 (d) 1975?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): As of April 1 in each year: (a) 825; (b) 962; (c) 1,241; (d) 781.

DSS—TENDERING PROCEDURES

Question No. 670—**Mr. Cossitt:**

1. Does the Department of Supply and Services call tenders by public advertisement and, if not, for what reason?

2. Does the Department call tenders on an invitation basis and, if so, is there a list compiled for each electoral district of those to whom invitations will be extended and, if so (a) how is it compiled (b) is it compiled with political considerations to guarantee that whoever is awarded a contract is certain to be a supporter of the party in power?

3. With reference to the invitation tender list for the constituency of Leeds-Grenville (a) how was it compiled (b) does the department realize that some of those contained on the list are individuals who are presently residing in cemeteries, firms that have surrendered their charter, etc. (c) is the list dated July 11, 1979 and, if so, on what date was it first compiled?

4. How often are lists of those who will be asked to tender on various requirements revised for various electoral districts by the department?

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

1. Advertisement in the public press is appropriate when it is a general custom followed by the trade involved. The Department of Supply and Services solicits bids primarily from lists of competent suppliers. The advantages of selective tendering are that:
   (a) a number of qualified sources are readily available to provide competition;
   (b) it is considered by the supply administration to be the most cost-effective approach to maintaining adequate levels of competition and equity of opportunity;
   (c) it serves to shorten the contracting process.
2. The department calls tenders on an invitation basis but does not compile lists by electoral districts.
   (a) n.a.
   (b) n.a.
3. n.a.
4. n.a.

CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 700—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Communications for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of Communications is concerned, the answers to the above questions are as follows:

1. Four contracts were let during the fiscal year 1978-79 for professional services to persons who had been employed in indeterminate positions under the Public Service Commission within the past five years.
2. (a) Four contracts were for less than one year;
   (b) None.
   (c) None.
3. None.
4. Total cost—$38,710.00.

CONSULTANTS ON CONTRACT

Question No. 768—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Federal-Provincial Relations office and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): (a) and (b) None.

[*English*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

• (1230)

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

Hon. E. F. Whelan moved that Bill C-27, to amend the Farm Improvement Loans Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, today I ask this House for its support of Bill C-27, to amend the Farm Improvement Loans Act. Basically there are two amendments proposed. First, we want to renew the program for another three years. Since it was introduced in 1945 the program has been extended several times, usually at three-year intervals. These many extensions testify to the continuing need for this program.

The second amendment is for an increase in the total amount a farmer can borrow under the program. The maximum was raised to $50,000 in 1974 and to $75,000 in 1977. Now we feel that rising costs for farm machinery and equipment, land and other items have gone to the point where the maximum should be at least $100,000.

For many farmers this increase in the maximum allows them to make the kinds of improvements the act was designed to facilitate. We are talking here about the purchase of agricultural implements, machinery and equipment; the purchase of livestock including poultry, beef stock and fur-bearing animals; the installation of farm electrical equipment, things like bulk milk tanks, grain handling systems, barn cleaners, construction or repair of farm buildings, other improvements such as irrigation systems, drainage and fencing; and the purchase of additional land. We are talking about the kinds of things that make a farm run.

Farmers who qualify for loans under the act make their own credit arrangements through chartered banks or other lending institutions that are approved by the government. The federal government's role in the transaction is to guarantee the bank or lending institution against losses it may sustain. Under the act the maximum interest rates on farm improvement loans are based on the chartered banks' prime lending rate plus 1 per cent.

However, I should point out that the lender is obliged to make sure the loan is secure and that normal banking discretion is used in issuing the loan. For that reason and because farmers are about the best credit risks around, the farm improvement loans program does not wind up costing the federal government very much in actual cash outlay. In 1977 the net cost to the government was less than $190,000. It rose to $289,000 in 1978, and last year the net cost was $222,000. Compare that with the actual amounts loaned out under the program during those three years; hundreds of millions of dollars were actually loaned. Last year $262 millions was loaned. In all, since 1945 something like $4.3 billion has been loaned out under the program.

We can make a comparison of loss ratio. For instance, in 1979 when $262 million was loaned, the net cost to the government against the amounts loaned out was running at .14 per cent, not even a quarter of 1 per cent. In 1977 the rate was .13 per cent, and in 1978 it was .13 per cent. We hear much about how bad 1979 was, but in 1979 the loss ratio was the lowest ever, .08 per cent. Over 22,000 farmers took advantage of that program.

The extra production that the program generates means more food for Canadians, our trading partners and those who receive food aid shipments from us. I am not pretending that this program is single handedly responsible for big increases in food production, but it is one of the many things the federal government is doing to bring greater stability to the farming sector.

I am sure we are all aware that many other programs are available to farm people under the federal system. We have the Farm Credit Act, the Farm Syndicates Credit Act and the Farm Improvement Loans Act which I am talking about at the present time. However, when we look at the other programs that the provinces have, we can look at a food-producing province like Alberta, for instance, see the number of different loan programs and subsidized interest rates there are, and we cannot help but be impressed. For instance, direct farm loans in Alberta are available for any agricultural purpose to producers unable to obtain long-term credit from other sources. The suggested maximum is $150,000 with a 30-year repayment, and 20 per cent equity is required. There are also special direct loans for disaster assistance and financial restructuring.

In the year 1979-80, $60 million was loaned under that program.

Mr. Baker (Nepean-Carleton): Which one is that?

Mr. Whelan: That is Alberta. Every province but one has some kind of program such as this or somewhat similar to this, but many of them are much different. There is such a hodgepodge of lending programs that it is really difficult to say that there are no funds available to farmers who do not have some special subsidization program. It is difficult for me, when I am trying to work out programs for the good of the national interest, when I find the inequity which is in the different programs which in some instances top load our federal programs, subsidize the interest rates we set or subsidize the provincial interest rates for provincial producers.

I have a table of all these programs. If it would be of interest to the House, I would ask that it be appended to the proceedings of the day, if that would be possible.

Mr. Knowles: Does the minister mean *Hansard?*

The Acting Speaker (Mr. Ethier): Is that agreed by all hon. members?

Mr. Baker (Nepean-Carleton): Mr. Speaker, if the hon. gentleman is offering to table those programs, we certainly would agree to that. I think it would be very helpful.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House that these documents be tabled?

Mr. Knowles: I think we should be clear, Mr. Speaker. The minister wanted them made part of the proceedings. That sounds like *Votes and Proceedings*. The hon. member for Nepean-Carleton (Mr. Baker) agreed that they be tabled. What is wanted?

The Acting Speaker (Mr. Ethier): I should have added in my prior statement "and appended to *Hansard*". Is it agreed that they be tabled and appended to *Hansard?*

Some hon. Members: Agreed.

[*Editor's note: For tables referred to above, see Appendix for Tuesday, May 20, 1980.*]

Mr. Whelan: I was going to read these tables into the record, so appending them is much easier. I think they are a form of education when we talk about the different farm programs. I see the hon. member for Annapolis Valley-Hants (Mr. Nowlan) is here. I am sure he is aware that provincial governments have subsidies, interest programs, top loading programs, etc. which I am sure many people are not aware of. There are programs in Quebec, and many people point out that Quebec is the only province with subsidized programs.

That is not true. Saskatchewan, for instance, has programs which are called FarmStart programs. Eight hundred loans were made last year to young farmers in Saskatchewan. I believe the mortgages run for 15 years at a guaranteed interest rate of 8 per cent. Those programs are very good but, going back to the one in Saskatchewan again, the one Saskatchewan had was mostly to start farmers into pork production and livestock enterprises. It was geared especially to that kind of enterprise, and most of them are already in financial difficulty because of the decrease in the price being received for those products. So, I just point out that we have been doing some research and trying to come up with a program which would provide equity between farmers who are competing for the domestic market or the international market.

● (1240)

Some farmers are at a terrible disadvantage because of the lack of funds being made available to them. The province of Ontario probably has some of the smallest programs. I will touch on some of them shortly since I think they are beneficial to agriculture in that area. They depend more on federal loans and programs such as the Farm Credit Corporation and farm improvement loans program. As hon. members already know, I talked about the farm credit program which issues long-term loans to farmers and has a tremendous stabilizing influence on Canadian agriculture. FC programs are especially designed for the financial programs which farmers encounter.

Recently when I spoke about the Farm Credit Corporation I said that we had asked them to look especially after younger farmers who find themselves in economic difficulties through high interest rates, and in some areas because of depressed prices for the commodities they are producing. So we asked FCC to place a moratorium on the loans. Some people feel that that is a cancellation of the debt and the interest rate. That is not so. All it does is delay the payment. The Farm Credit Corporation has within the legislation the right vested in them to do that kind of thing. They have been doing it in the past and will do it in the future.

Also the Farm Credit Corporation can be the judge when a young farmer has little collateral but the drive and ability to survive in agriculture, and for that reason FCC is often the only hope which a farmer beginning operation has, except for some programs which are in existence in Saskatchewan and in Alberta which are especially geared to encourage young people to go into the Peace River district. Some of them have been pretty costly ventures for the provinces. Right now about 70 per cent of the long-term credit outstanding in Canadian agriculture is in loans from the Farm Credit Corporation. I am proud of FCC, and indeed the federal government should be proud that it has made such a program available to the farmers of this country.

Also administered by FCC is the farm syndicates loans program under which groups of three or more farmers can purchase jointly machinery, buildings or instal equipment. This program provides up to 80 per cent of the total cost, with a maximum of $15,000 per person, or $100,000 in total.

Another program of which we can be proud—one which brings a large measure of marketing stability to thousands of Canadian farmers—is the advance payments for crops program. This program provides farmers with interest free loans to pay operating and carrying costs for their storable crops. Farmers can then afford to hold more of the crop until the market is right, and that is orderly marketing.

I spoke of interest free loans, but we all know that nothing is free in this world. The federal government paid more than $2 million in interest on loans under that program in the fiscal year 1979-80. As I said, provincial governments have different kinds of programs, and these I have tabled. I spoke a little about Ontario. They have a program which can be used as another example. There a farmer can have up to 75 per cent of the cost of drainage work financed at an interest rate of 6 per cent.

Those are some examples of programs that are available in Canada today to farmers. As I said, they are not available to all farmers; it all depends on the programs that some of the provinces have. If anything, this has a tendency to balkanize the country.

A farm improvement loans program is an important source of intermediate-term credit for Canadian farmers. Most of these loans are for a ten-year term, with some extending to 15 years for the purchase of extra land to expand a farm.

I should point out that the total amount of farm credit outstanding is now something like $15 billion. That is a tremendous burden on the relatively small number of farmers in Canada. The cost of servicing the debt is the cost of production, and when a farmer compares his cost of production with expected market returns and if there is not much

margin in between, you can appreciate the effect on a farmer's management planning.

Right now we should be doing everything we can to help farmers maintain the production levels they have achieved to produce more of the food that we would otherwise import, and to take advantage of export markets. Increasingly, the world will need Canadian farm products, and our farmers must have the credit they need to produce this food.

Therefore, I ask members of the House to support the amendments to the Farm Improvement Loans Act as presented, to study all the other sections, and if they have any suggestions, if they think amendments should be put forward in committee, I will be perfectly willing to listen to any constructive suggestion.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-27, to amend the Farm Improvement Loans Act. I was also pleased to hear the minister give that open invitation for input into the various programs which the federal government sponsors.

This is an act the provisions of which I have taken advantage of over the past 25 years of farming experience. The Farm Improvement Loans Act came into force in March, 1945, for an initial period of three years and was subsequently amended from time to time to remain in effect for additional lending periods. The current lending period expires June 30, 1980.

The stated purpose of the act is to facilitate the availability of intermediate and short-term credit to farmers for the improvement or development of farms and for the improvement of living conditions thereon. To this end, the act authorizes the responsible minister to guarantee against loss, term loans made to farmers by chartered banks, Alberta treasury branches and other lenders designated by the minister, for a wide range of farm improvement projects.

The maximum amount of guaranteed loans which a borrower may have outstanding at any one time is $75,000. This amendment to the act in Bill C-27 would increase that maximum lending limit to $100,000. I will demonstrate in this statement how totally inadequate this lending limitation is in the year 1980. One need only study our recent history to reach the assumption that the inflationary effect will guarantee the complete inadequacy of the maximum which will be allowed three years hence.

During the year 1978, 75 per cent of the loans were to purchase agricultural implements, 10 per cent were for construction, repair or alteration of farm houses and buildings, 8 per cent for the purchase of additional land, and 4 per cent for other improvements, such as the clearing of land, fencing, irrigation and similar projects. Of the 24,000 loans made in 1978, only 809 were made to B.C. farmers. In a period of advancing technology, demanding as it does financing beyond the immediate ability of most farmers, perhaps the shortcomings of the act are dramatized by the small number of B.C. farmers to participate in the supposed benefits.

Unquestionably the principles and practical effects of the farm improvement loans legislation have had significant beneficial effect over the years of its existence on the ability of the farming community in Canada to survive in a very, very tough competitive environment in which it is absolutely essential that Canadian farmers adapt to the most modern advances in farm technology. Agriculture in many ways has been at the forefront of this adaptation to modernization and to efficiency enhancement through increased mechanization of all of the operations involved in crop creation, processing and distribution.

Canadian agriculturists must remain competitive with farm production from countries in the world where farm labour is paid at less than one-tenth of the equivalent farm wage level in Canada. This ability to remain competitive is made possible only as Canadian farmers have the possibility to make acquisition of those costly tools and machines which offer the necessary labour conserving standards. This has been particularly the case in a nation in which the consumers' immediate interests have been paramount to the political forces, with the result that a cheap food policy has been in vogue to the disadvantage of the agricultural community. It is to the credit of farmers that in this hostile environment they have been able to survive and to a degree prosper.

● (1250)

It is not only at the farm production unit level that Canadian farmer survival is subject to his ability to finance acquisition of new equipment such as tractors, spray machines, seeders, swathers, balers, trucks, and for orchardists whom I represent, self-propelled mechanical lift machines. We call them Girettes or Kangaroos. The list of available machines goes on and on and on. Required is the ability to finance the purchase. This act gives some assistance in this financing ability.

In my riding of Okanagan-Similkameen fruit production is largely accepted, handled, packaged and sold by grower-owned facilities. Fruit packing house units have also seen in the past decade a very dramatic leap forward in the application of labour efficient mechanization. Without these changes our industry would have no ability to remain competitive in a world in which survival is measured only in terms of competitive adaptability.

In 1964 the fruit packing house, of which I was president, modernized to the level of that day at a cost of less than $100,000. It was five years ago, while I was a director of the Oliver-Osoyoos Co-Operative Growers' Association, that a major efficiency related project was undertaken. This brought to the Okanagan, and indeed to Canada, for the first time a totally new concept in fruit handling techniques, the most advanced of its kind in the world.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, it is the desire of the Honourable Deputy to the Governor General that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

● (1300)

And being returned:

Madam Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to His Excellency the Governor General, His Honour was pleased to give, in Her Majesty's name, the royal assent to a certain bill:

Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981.

It being one o'clock, I do now leave the chair until 2 p.m.

At 1.05 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

The House resumed consideration of the motion of Mr. Whelan that Bill C-27, to amend the Farm Improvement Loans Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am not entirely sure where I left off prior to the adjournment, so I shall resume my remarks by referring to the fruit packing business.

In 1964 the fruit packing house of which I was president modernized to the level of that day at a cost of less than $100,000.

Mr. Knowles: You told us that before lunch.

Mr. King: I just wanted to make sure everyone here understood my position with regard to that accomplishment.

Mr. Knowles: At least I was listening to you.

Mr. Kaplan: Don't let the NDP intimidate you.

Mr. King: Never—nor the Liberals. Five years ago, while a director of the Oliver-Osoyoos Co-op Growers' Association, a major efficiency related project was undertaken. This brought to the Okanagan and to Canada for the first time, a totally new concept in fruit handling techniques, the most advanced of its kind in the world. This was accomplished at a cost of $1.25 million; to move to that standard of mechanization today would cost in excess of $2.5 million.

I mention these investment patterns in farm enterprises in which I have been very closely involved to emphasize the nature of modern day farming and the absolute imperative of adequate financing provisions such as we are debating today. Government supported legislation is absolutely necessary because the market place is not serving farmers adequately.

Where in the act is there provision to correct the objectionable aspects of the bill which have been the subject of comment on many occasions previously when the act was reviewed? I refer to the fact that banking institutions are entirely free to deny loans to farmers for reasons other than security of loans. The suggestion has been made that if banks are given a guarantee under the act—and they are—then there should be some obligation on their part. Perhaps this is one aspect of the bill which should be given scrutiny during committee examination.

I should like to quote remarks made by the hon. member for Fraser Valley East (Mr. Patterson), as recorded in *Hansard* on May 2, 1977. At that time he said:

The extreme difficulty faced by young people endeavouring to establish themselves in agriculture is... a major problem. So as one examined the provisions of this bill, one finds that it does not seem to include any changes which take into account the difficulties of those engaged in agriculture. The bill does not seem to envisage the taking of new initiatives. No new initiatives are taken in the bill which will expand the availability of assistance to the agricultural community. Therefore, all we are considering, really, is another statement in the form of this bill saying that this program is to be continued.

● (1410)

One could say that loan limits are to be increased. I say that the amount provided by the bill is far less than that which is required in order to enable our agricultural community to meet its problems and finance its operations. As it is, farmers face great difficulty in making ends meet. However, we welcome this legislation in so far as it affects the agricultural community, but urge the government to look at new initiaves and new programs which will meet adequately the needs of those engaged in the agricultural sector of our economy.

It is sad to observe that the above remarks, made three years ago, are entirely current today.

I would like to discuss briefly the matter of farm income. Despite the ever increasing costs of food being experienced to the chagrin of the nation's housewives and budget keepers, the difference between what farmers receive and what consumers pay for food, called the marketing spread, widened nearly 12 per cent in 1979. This is the largest increase in five years. The marketing spread, representing charges for handling, processing and distributing a market basket of farm foods, accounted for slightly over half the 10.8 per cent rise in grocery food

prices last year. Increased farm value accounted for about a third of supermarket food increases.

In this scenario, with farm operating costs rising more rapidly than the cost of living index, with farmers receiving a lesser percentage of the consumer dollar spent on food, farmers do not represent the most attractive credit risk to commercial lenders. Some type of government intervention is required if Canadian agriculture is to survive, and survive it must if our nation is to prosper and remain sovereign and independent.

We have allowed this energy rich nation to become subjected to the whims of foreign interests simply because we have neglected our own potential. Both price and supply of petroleum products are now outside our nation's control. We certainly must not allow agricultural production to suffer the same type of gross national indifference by a government more concerned with its own political well-being than it is with the well-being of the nation.

The orchard tractor which I bought last month cost my orchard company $14,300. Today, less than one month later, that very tractor is priced at $15,750. This is an increase in price of $1,450 in less than 30 days.

We are becoming immune to shock when it comes to price increases from day to day. Our wives see and report what is happening on supermarket shelves. But the price of the tractor that I have just purchased puts the whole of this act in more dramatic perspective. To examine what the price of that tractor unit was just three years ago when this act was last amended, the tractor—a 50 horsepower unit—that cost $14,300 last month and which today costs $15,750 was available just three years ago for $8,400.

Mr. Whelan: What did you trade in for it?

Mr. King: I am sure that this pattern of equipment pricing increase is duplicated across Canada in all types of farming activity. It certainly is not a phenomenon endured by fruit farmers alone.

I did not catch the interjection made by the minister, but I will be happy to discuss it with him after.

Thus we can say with some considerable conviction that the increase in the maximum lending limit from $75,000 to $100,000, while moving in the right direction, does not in fact keep pace with the rate of inflation which this government has imposed upon our nation and on our farmers by its undisciplined spending regime. We should, therefore, look at this aspect of the legislation to ensure that we are providing financing adequate to meet the requirements of today's costs and today's farming technology.

The April, 1980, edition of *Country Life* quotes from the British Columbia federation of agriculture presentation to members of the legislative assembly of British Columbia. It reads as follows:

> The federation delegation told the MLAs that inflation and increasing interest rates are two of the most important issues currently facing farmers. They claimed that agricultural production is particularly susceptible to both because there is no guaranteed relationship between inflation and the level of farm commodity prices.
>
> Food production is one of the most capital intensive sectors of our economy . . . B.C. farmers have over $1 billion in loans out.

I would point out, Mr. Speaker, a contradiction which exists in this government's policies towards farm economics. The Minister of Agriculture (Mr. Whelan) this morning in his address to the House asked for the support of the House in favour of the passage of this bill. I would assume that since this is one of the few matters brought before this House which can be supported without great offence to one's conscience, that passage will be assured within the normal time-frame.

I would, however, like to point out to the minister that the grape growers and wine producers of British Columbia, who can make little use of the benefits of this act, would very much prefer to see the rescinding of the repressive tax measure applied to the wine industry as contained in the recent and infamous mini-budget. The effect of the tax is to directly cost the grape producers the equivalent of $180 a tonne, and this on a commodity worth $400, $500, $600 to $700 a tonne. The B.C. wine industry, which is determined to establish its place in the quality wine market, will, of necessity, pass on some of this added tax burden to the grape producer. In establishing themselves in a market dominated by imported product, our local wine producers are unable to pass the tax on the consumer.

So we have here, Mr. Speaker, a situation in which the Minister of Agriculture proposes to help agriculture, while the Minister of Finance (Mr. MacEachen) proposes to make it difficult for this one segment of agriculture to continue.

Let me point out to the House some government financial initiatives which have been of great value to the farming community in the riding of Okanagan-Similkameen. I speak with knowledge of the ARDA program which has been the instrument by which most of the irrigation districts and municipal irrigation works have been upgraded, improved and expanded. Without the joint federal-provincial program, it is safe to say that farmers in the B.C. interior drybelt areas would have been hard pressed to remain in business. It is entirely safe to say that the total economy of central British Columbia has been enhanced and stabilized by the application of ARDA to the water supply systems of that area.

Another federal-provincial program with which I am entirely familiar is the crop insurance program. I was an employee in the ministry of agriculture in B.C. in the crop insurance branch from its inception. I say without equivocation that this program has been of most significant value to agriculture in B.C. and throughout Canada.

The Farm Credit Act has provided the means for farm acquisition and expansion. The cold storage assistance program has had great application in the Okanagan Valley, as the minister is aware, creating jobs and giving the industry an opportunity to progress to its present high state of performance.

Let me use this debate forum to reinforce the fact that as the farm economy in Okanagan-Similkameen prospers, the

community at large in that area prospers. In the broadest sense, the same applies to our nation as a whole; as goes agriculture, so goes the nation. The Government of Canada must recognize this fact and must move on many fronts to give the agricultural community those advantages and programs necessary to its continued existence, and to give farmers a place of dignity in Canada's economic community.

● (1420)

Mr. Whelan: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. King: I will permit a question. I am not sure if I can answer it, but I will make an attempt.

Mr. Whelan: I have known the hon. member for quite some time I know his background. He talked about the cold storage assistance program. I do not want to create the impression that he intentionally forgot to mention that that was brought forward by the Government of Canada and that his province took advantage of 50 per cent of the funds under the cold storage assistance program for controlled atmosphere temperature storage, jacketed storage and cold storage. It allowed the British Columbia fruit producers, namely apple producers, to export to, I believe, 82 countries last year because they had such a high quality product. Did he intend to admit the fact that it was the Ministry of Agriculture of the Canadian government that made it possible?

Mr. Knowles: Is that a question?

The Acting Speaker (Mr. Blaker): I think the Chair should intervene in the sense that normally debate is not encouraged in the circumstances, but the Chair will recognize the hon. member for Okanagan-Similkameen (Mr. King). Other than that, we will proceed to the next member who wants to enter the debate.

Mr. King: Mr. Speaker, having acted for packing houses in the Okanagan which took advantage of this act, I certainly was not trying to exclude anyone from applause because of its availability. I just point out there are acts that can be implemented. There are programs that can be instituted which are of great benefit to the farming community, and this is one of them. We should seek to find more opportunities to enhance agriculture in Canada. The act before us today provides a modicum of such enhancement.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, on this my first opportunity to speak to this House on a formal basis in this session, please accept my congratulations on your appointment as Acting Speaker, and kindly pass on to Madam Speaker my congratulations and expressions of pleasure at her appointment.

It is becoming increasingly obvious that the downturn in the economy of the country is having a disastrous effect on the agriculture industry all across Canada. My colleague, the hon. member for Humbolt-Lake Centre (Mr. Althouse) will also discuss some of the effects of this disaster.

Farm Improvement Loans Act

As a westerner and a representative of a farming area, I feel that I cannot pass up an opportunity to speak to Bill C-27, to amend the Farm Improvement Loans Act. I recognize that this amendment is intended only as a relief from the pressure on certain borrowers, raising as it does the maximum level from $75,000 to $100,000 and changing the responsible minister. It is because of those limited intentions in this bill that I feel I must speak out and put before the House some of the shortcomings of this amendment, and put this whole issue of farm credit in the context of what is really happening down on the farm.

This House should be well aware that a crisis exists in agriculture in this country. While the price of what the farmer sells remains static or declines, the price of what the farmer buys outpaces Canada's quite unacceptable rate of inflation.

The general farm input index with a 1971 base of 100 reached 234.1 for the last quarter of 1979 and is now increasing at the rate of 15 per cent per annum, half again as high as the increases recorded in the national inflation indicator, the consumer price index. In just ten years, Mr. Speaker, the farm dollar has shrunk to only 42 per cent of its 1971 self. It is worth 42 cents today compared to what it was worth in 1971.

The price of a key farm input, fertilizer, has increased up to 25 per cent this spring. The reasons for this massive increase can be accounted for simply enough. Higher transportation costs, higher natural gas prices, the decline of the Canadian dollar and increasing interest rates are a few of the reasons that can be put forward.

The federal government can influence all of these factors, and the fact that they have been unable to do so in the past few years is a telling comment on the Liberal party and Conservative party's economic policies. During the past three years all we have been given by these governments are a dozen dry and dusty after-the-fact analyses by academic economists. Farmers do not have the luxury of waiting until after the fact. They must make their purchases for the current crop season now and pay the disastrous interest rates that are the direct result of the international policy on interest rates that is commonly known as the "beggar thy neighbour" policy. While the United States and the European Economic Community play this usurious game, the farmers of North America are sitting on the sidelines wondering how they will pay.

Here is an example of the immediate problems being faced by U.S. farmers in the month of March. The Canadian situation parallels it almost exactly. In that one month fertilizer prices increased 9 per cent, fuel by 3 per cent, machinery by 5 per cent, farm chemicals by 14 per cent. The Canadian situation is almost exactly the same and there is no cheap money to help the farmers offset these increasing costs.

Farmers, like other sectors of small independent businesses, shopkeepers and working people, are among the economically weak in our society who do not profit from inflation.

The government of Saskatchewan is making FarmStart loans available this year at 8 per cent for the first five years and 10 per cent on the final ten years. But FarmStart is a very

small program for a very few hundred young farmers. It is really the responsibility of the federal government to enact wider range programs to help all farmers in the current cash shortage resulting from the cost-price squeeze. This act extends somewhat the maximum amount a farmer can get and makes some more money available, but at a cost to farmers of prime rate plus 1 per cent.

Because the farmers of Canada are in up to their necks, Mr. Speaker, they are like those gallant show business people who sing:

Hey, look us over,
Lend us your ear
Fresh out of clover
Mortgaged up to here

Mr. Kempling: Sing it!

Mr. Hovdebo: They are mortgaged to the hilt. Farm indebtedness at the end of 1979 was $9 billion and the interest charges paid on that principal was $1.24 billion, an increase of 71 per cent on the debt payments of only three years ago. In fact, payment of debt is the fastest growing thing on Canadian farms. The Canadian government is providing the fertilizer for this phenomenal growth.

In 1980, debt payment on the anticipated $10 billion outstanding will be the largest single expense to farmers. It will cost more than feed or farm machinery costs and is growing faster than weeds in the back pasture.

The farmer has been placed in a position where he must try and find money at almost any price. Even at these high interest rates it may not be available. Farm Credit Corporation personnel have said they will only be able to meet two thirds of the demand in this fiscal year.

● (1430)

There is an alternative program which any responsible opposition party must put forward. We must recognize immediately and frankly that an emergency situation is facing farmers in Canada. It is a situation which is not of their own making. It is a situation which is causing thousands of them to go to the wall right across the country. In the past three years, the number of farms in Prince Edward Island has decreased by 16 per cent, the number of farms in New Brunswick has dropped by 22 per cent and similar figures apply all across the country.

Mr. Speaker, do not believe the propaganda which seems to have gotten to the Minister of Transport (Mr. Pepin)—that farmers are changing their minds about the Crow rates. If you faced the kind of prospects I have outlined here today, would you be asking for a five or sixfold increase in freight rates? Such increases would only mean still greater losses. Western farmers intend to protect their statutory rates. They really have no alternative.

What we desperately need are interim measures, and in this regard the government would do well to consider the recommendations contained in the National Farmers Union farm emergency measures program which was presented to the government on April 22. Among those recommendations were requests for two short-term measures which the government should consider carefully: first, a moratorium on all farm debts which threaten a farmer's livelihood on the land. This kind of federal guarantee, so popular with large operations such as Chrysler, would show that Ottawa places as much importance on the growing of food as it does on the assembly of automobiles. Of equal importance, it would show that the federal government has the same degree of commitment to the farmers of Canada as to the automotive industry.

Second, the federal government should provide credit guarantees to needy farmers in respect of 1980 farm operating costs. Such a move would recognize that many of the inflationary forces adversely affecting farmers at this time are not of their making and that farmers deserve some measure of protection, particularly if their credit needs are not being met by existing institutions.

The bill before us does not guarantee that farmers will get the credit which is available. An investment in the growing of food by the government would help ensure protection against hyper-inflation of food prices six months from now when the effect of reduced production hits the food market. Let us not be fooled. We must recognize that if farmers do not get help now they will be forced to cut back production.

Although I am not opposing the changes put forward in this bill, I hope the government will recognize the present crisis in farming and use this legislation, along with other measures, to alleviate the situation. I say this because the crisis is becoming more acute every day. In the prairie provinces it is being accentuated by the extra factor of a sustained drought. The embattled farmer faces high costs for chemicals, machinery and land. In return, he gets low prices for pork, low prices for the stock he wants to sell. These figures are being pushed down to a considerable extent by the drought as well as by high interest rates.

The grain embargo has almost certainly eliminated the prospect of a final payment on grain this year and farmers face predictably lower prices for grain in the coming crop year, again because of the embargo. Most farmers feel that in the circumstances there is little chance of coming out ahead of the game. They are likely to lose money. They are likely to be selling below the cost of production again this year in all areas. But farmers are optimistic. They will continue to farm even despite this prediction, and Canada can thank them for it. It is a responsibility of the government to deal with this crisis wherever and however it can.

We are considering a bill which will provide some extra money for farmers to borrow. If we lend it to them at the business rate, the prime interest rate plus 1 per cent, we shall be driving more farmers out of business. So I urge the government to give them the opportunity to borrow at a lower rate, possibly at a rate which would amount to only a service charge.

Also, let us make enough money available so all farmers have a hope of surviving. Better still, let us put into effect the

farmers' union proposal and bring some hope to the whole industry for another year. As one of the farmers' union signs said a few weeks ago: "It's no joke, we're going broke."

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): Madam Speaker, I want to address myself to this bill at this time because it means so much to producers in Canada. But I do not want to take up too much time because farmers in the Yukon, the Northwest Territories, British Columbia and the Atlantic provinces are anxiously awaiting Bill C-15, the livestock feed assistance amendments, since in those areas they do not have the opportunities open to us in Ontario and western Canada, particularly the three prairie provinces, to produce their own feed.

I have a few comments to make in relation to the bill before us, legislation I have personally used on many occasions in years gone by when I was becoming established as a farmer. Perhaps I should point out, with reference to the high interest rates which are hurting farmers at the present time, that there have been fewer bankruptcies reported by the Farm Credit Corporation this last year than there were in the year previous to that. I might also point out to the hon. member for Prince Albert (Mr. Hovdebo) that since the Speech from the Throne interest rates have dropped in every consecutive week.

An hon. Member: No connection!

Mr. Ferguson: There is a direct connection because the money is lent at bank prime rate, plus 1 per cent. I should like to suggest that if there was more co-operation from the provinces—I refer here to the 800 FarmStarts given Saskatchewan last year—and discussion with the federal government we would not have a lot of the areas of concern we face today. I refer here to the red meat sector where there are problems.

On the other hand, we do have the vehicles available to us here in Canada, legislation passed by Parliament, giving farmers the opportunity through the use of permissive legislation to set their own prices at the farm gate, to establish their cost of production formulas which take into consideration increased interest rates whenever they occur. When interest rates decrease, that is also taken into consideration. I should like to point out that a decrease of one cent per dozen in the price of eggs took place recently. This was due to lower interest rates and increased efficiency on the part of the producers.

We do not have many problems reported in connection with commodities under the Farm Products Marketing Agencies Act, the dairy commission, or in the province of Ontario especially the tobacco board which also negotiates and sets its own prices.

• (1440)

I think what we need perhaps more in Canada in the way of an outward looking economy to create stability in the agriculture sector is planned production, not only for domestic markets but for exports as well. Let us seek out and develop new markets in a positive sense which would benefit all of Canada and not just the farm sector. They would also create new jobs in our work force and benefit society through spin-off effects to all Canadians.

I would like to refer to the national farm products marketing council, the marketing agencies I was connected with for four years and the particular act under which they operate, the Farm Products Marketing Agencies Act. That act is very broad in its context. It is very permissive and would allow the producers of Canada to set up the type of organization which would relate to their specific area of the industry. As a farmer I believe that it is tragic that we have not encouraged our producers to make more use of this particular act and to work together as Canadians to produce, as envisaged by the Fathers of Confederation.

The act before us today has been utilized to a tremendous extent. The net cost to the Canadian taxpayer, as indicated before lunch by the minister, was $220,000. I think it would be remarkable to know what the net benefit was in that act from the money made available and what is done for Canadian society.

Farmers by nature like to produce and they are great spenders. They like to upgrade their homes, their farming operations, their equipment and their facilities. They are very proud. They are very proud to be Canadians, and I think that by increasing the ceiling as proposed in this bill here today we are going to give them that opportunity. However, I want also to see us through other means go even further and give them the opportunity to develop their potential productivity. I speak of potential productivity in the way of renewable resources to sell abroad to a world that is going to be hungry in the not too distant future. There are some areas in the world which are hungry right now.

I believe the loan guarantee in the Farm Improvement Loans Act is among the least utilized in the banking industry. The losses through this are very, very low. I live only a few miles from the state of Michigan in the United States, and I talk to farmers on that side of the border. In April they were paying 20 per cent interest on their loans. They were paying $1.06 for a U.S. gallon of diesel fuel. I had heard they were being subsidized, so I went over to visit a farmer to see if he was in fact being subsidized. He said, "Yes, we have a disaster program; we have subsidization, but that is only if a disaster strikes". I believe the last time they collected on that was in 1977 when they had a terribly dry period across that section of the country.

However, they do not have any similar programs there which compare with what we have here in Canada for farmers. They do not have the advance payment program or the interest-free loans we have here. Nor do they have the progressive legislation we have available to us. In Canada, in spite of the fact that perhaps we have a much harsher climate—certainly in some areas of Canada we do not have the potential diversity we have on the prairies, perhaps, or in sections of Ontario—I think we are very fortunate to have such practical legislation which is of benefit not only to the farmers of Canada but also indirectly to all of society.

I indicated that I did not want to take up very much time because I think it is critical that we get this piece of legislation through, but I hope that this House will give it speedy passage so that we can get on to more pressing legislation such as Bill C-15, to amend the Livestock Feed Assistance Act.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think the House is aware of the fact that this legislation is housekeeping legislation to improve the Farm Improvement Loans Act which has served the farmers of all parts of Canada extremely well for over 30 years at very minimum cost to the taxpayers. I would think that the cost last year would be equivalent to the wages and expenses of four or five civil servants, and that is all. This act is one of the family of acts under which we have asked private enterprise engaged in the financial business of lending money to do the job for us, in this case banks and credit unions.

I think there is no member in any part of the House who would want to hold up this bill in any way, but I do think we have to accept the fact that there is a bad point in the bill. This is through no fault of the minister but through the fault of a theory of government on interest rates which hurts all sections of the ecomony and not just farmers. The same thing was true with the bill we put through a week or so ago on small business. On that bill we used private enterprise to handle the business of lending money to businessmen, as we do with this act to farmers. We ask the banks and credit unions to lend money to farmers, and the Government of Canada gives a guarantee against a portion of the losses to the banks.

The reason it does not cost the government very much in having to pay these guarantees is that one would find it almost impossible to find a bank or credit union which ever lent a farmer any money and did not get it all back. It is as simple as that. There is really no risk taken at all by the banks or credit unions. One has to have more assets and more goodwill by five or six times the amount of money borrowed, so let us not feel that this is a hand-out on the part of the government or the banks at all. The banks are the best protectors of the public interest, if we look on the public interest as the money supply of the Minister of Finance (Mr. MacEachen), that there could be.

I know the minister agrees with me, but I also think that the minister is well aware of the fact that one of the key things in this new legislation is that for the first time the Minister of Agriculture (Mr. Whelan) is allowed to make the regulations. These regulations will go to the governor in council through the Minister of Agriculture. Oh, they have a little stinger in the tail. He has to have the name of the Minister of Finance on the regulations, so in effect what I am asking all members of the House to do is to back up the Minister of Agriculture in taking strong stands on behalf of all parliamentarians, if necessary, against the Minister of Finance, who still hangs on to that residual power of putting his hand on any good thing if he thinks it is going to harm the treasury in any way at all. In this case he does not have too much argument. The Minister of Finance is never faced with very much of a loss each year. It is measured in thousands when we are lending out hundreds of millions.

This act is a remarkable achievement, so I want to make my remarks today ones which I hope the Minister of Agriculture will take in the spirit in which they are meant—of trying to help him with arguments he will have to face with the Treasury Board and with the Minister of Finance.

Even before I go into that part of it, I would think one of the biggest troubles the minister is going to have is with the banks and the credit unions. When this act started some 30-odd years ago, the banks were very reluctant to lend under it. They preferred to lend to the big customers who borrowed large amounts of money and had enough assets that the banks never had to worry. They were reluctant to make these small loans of $5,000, $10,000 or $15,000 under this act. It took twice as much time with the small programs as it did with the big sums of money they were lending to big business accounts. Gradually they were forced into it.

• (1450)

To give their side of the argument, let me say that they did run schools for their bank managers and brought in some very knowledgeable people from the agricultural industry who helped to run these schools. Now many bank managers and credit union managers across Canada have a remarkable knowledge of the business of running a farm. Some of the banks have even set up special sections for agriculture. So I would say that the difficulties on this front are not as great as they were 20 years ago.

The second fact in relation to the banks, the credit unions and the caisses populaires is that the financial situation is different now from what it was a few years ago. Banks and credit unions are loaded to the gills with money. They are so frightened with all the money they have that they are ignoring the Bank of Canada and trying to force interest rates down to get rid of it.

So now there is an opportunity for farmers and small businessmen to come to the banks with a chance that they will not meet with hostility. The banks are desperate to get rid of this money because it is a liability to them. That is one thing working in our favour. This gives a chance to the Minister of Agriculture to use an argument against the financial gnomes that hang around capital cities trying to hold back any constructive activity that is different from what they did before. The financial argument is that, since the banks are willing to lend, they should be willing to go the full length in proper lending. If they are going to take time, as they are doing, to find out all about a farmer's assets, including equity, they also should take time to look at his income picture for the last number of years and project it forward into a hypothetical cash flow. I know that many bankers are doing that and I know it is done by the Farm Credit Corporation. This means that they can take a look at a loan of, say, $100,000 and project forward to the time when this loan will produce, say, an extra $20,000 a year in income. They know that this is a real plum to strive for.

So how can the farmer or small businessman get to the position of having this $20,000 as quickly as possible? The

answer is to keep the "front end" loading costs down. On front end loading costs, the classic example is the interest charge which is paid the minute you take the loan. It may take you a year or two years before you get a cash flow back from the expenditure of that money. If you keep those charges low, the farmer is able to navigate on his previous income and have a better chance of paying the interest and the principal on his debt. In return for this, if he keeps the front end loading charges low, the farmer or small businessman has to be prepared to share the profit.

So I suggest, as I suggested during the Small Businesses Loans Act debate, that under these regulations the minister should put in alternative clauses which would allow a farmer to borrow money, not at prime plus one, as the present regulation calls for as announced in the press release, but, let us say, at 7 per cent or even as high as 7.5 per cent or 8 per cent, on condition that after the debt is paid off totally, the farmer will put back into the bank part of his extra income he will now earn for a certain number of years, which he will work out together with the bank in a mutual arrangement. That will give the bank or the credit union a market return on the money.

This is not a new concept. It is used over and over again in business, particularly with interest rates as high as they are now. Business uses this as the main technique of getting low interest rates.

I do not want to repeat the entire speech which I delivered two weeks ago, but the same principle applies to this bill, namely, that if the banker or the credit union manager who wants to lend money under this act knows he has a guarantee from the government for any losses, a good deal of which will be paid for by the government, is willing to sit down with the borrower and work out a hypothetical cash flow for one, three, five, ten, or 12 years, whatever it comes to, and take the smallest amount of interest he can get away with—I suggest the figure of 7 per cent or 8 per cent would be reasonable and normal in this period of inflation—and then the farmer would be willing to give a certain percentage of the extra profit for a number of years until the lender feels he has been reasonably well compensated—and you can show that from the farmer's net return each year—they will both be better off.

I would like to have the opportunity to put a big chart out in front of hon. members to show examples of how this works. But all I will do is content myself with the story I told weeks ago. A Canadian company last summer wanted to borrow $30 million on a very risky enterprise. It was proposed to the lenders that the interest should be no more than 8 per cent, so that in the first two or three years of this operation, when the cash flow would be negative, it would not be too heavy a load to break this marginal operation.

The lenders went back and took it up with their own government. They came back two or three months later and they said: "We worked out several of these hypothetical cash flows and we figured out that if we only charged you 5 per cent interest, you could pay the debt back that much sooner and we could get the percentage we talked about sooner. Over the 25-year life of the contract we will make more money out of it by getting you to pay off the debt quicker with the smallest of the front end loading charge."

The benefit of this to the lender was obvious. Naturally the borrower was delighted because in the risky first two or three years of the operation, if the costs are low enough you can keep on surviving each day, and then you get a chance to live long enough at the business to pay both the principal and interest quickly and you do not mind sharing a percentage of the profit afterwards. I know this works for small business if they can persuade the lender to give them that type of deal.

I would not be reluctant, if I were in the minister's position, to try that out on the Department of Finance. I suggest that he should talk to one or two of the banks first, particularly the top-notch agricultural men—and he knows who they are as well as I do—to see if he could not get one or two examples from them. Perhaps he could put it as one alternative in the regulations that the farmer would have the choice of taking the interest rate as prime plus 1 per cent, or the alternative of working out the kind of deal to which I referred. You might find bank managers and managers of credit unions who are knowledgeable in the techniques of farming who would realize that it is better to make more money out of a deal than it is to charge a high interest rate at the beginning and risk trouble for the farmer. I think that the farmer today would be very unwise, with the high price of products nowadays, to borrow too much money at a high interest rate. That is why I think he would tend to take the other alternative. I would like to assure the minister that if he would try this idea on the Treasury Board and would get the regulation through, he would have the support of at least some of us on this side and, we hope, on his side as well. I think this would apply to many other things also.

Thank you, Mr. Speaker, for letting me have this opportunity to put this viewpoint on the provision which deals with interest rates. I hope that the Minister of Agriculture will continue his fight, with the support of all of us in the House, to get back other things for the Department of Agriculture. I still want ARDA back where it belongs. I still want PFRA where it belongs. I still want PFRA made into a national institute servicing all of Canada, not just the prairies. Agriculture in the next two or three decades, as is so clear, will become tremendously important because it is the farmers who will produce the great bulk of the energy supplies of Canada and other nations in the future. They can do so now at prices which are competitive with other sources of energy, and I think we can do so without interfering with the present land use.

These ideas have been in my mind for a long time, as many members know. I think the minister has a great opportunity, at this time in our history when people are worried about supplies of energy and about costs, to take the lead in the fight to get the administrative machinery, which can do all these things which are in place now, back in the department. If the minister did that, the farmers of Nova Scotia could produce all the energy they need down there, without having to drag in this expensive stuff from the west. Likewise, that would be the case

for the farmers of Prince Edward Island, New Brunswick, Quebec and Ontario.

● (1500)

The Minister of Agriculture could make his department the great champion of all the people of the country, if he made it very clear to his colleagues that he is a little bit tired of agriculture being pushed aside in this Parliament as it has been for the last ten or 12 years. He should bring it back up where it should be—the leading productive department of this whole country. Then we will give those guys in the mining business and the forestry business a run for their money. We will take it over for them. That is the attitude which should be there. I have declared my willingness, and I suspect most of the members of this House will support the minister on that.

I would be glad to support this bill. I would hope the minister would take up the idea I have proposed. He should see if he can include a regulation like that as an alternative in this act. I know it happened once before in the Farm Credit Act. No one uses it very much, but at least the alternative is given. If the minister did that and had it well publicized among the banks and the farmers, there might be a few who would prefer going that way.

Some hon. Members: Hear, hear!

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, we are discussing today the amendments to the Farm Improvement Loans Act, Bill C-27, an act that has been around every three years since 1945. We are seeking to extend the act for another three years and to increase the loan limit to $100,000 per user from the current limit of $75,000.

The minister has adequately outlined the background to the act, but I should like to spend a minute or two going back to some of the things the Farm Improvement Loans Act does and perhaps try to answer why we have it. As Mr. Speaker knows, it is an act whereby the farmers are able to borrow money from the banks and the credit unions and such loans are guaranteed by the government. Originally the loans were at a lower rate than the usual lending rate was for the banks or credit unions. When it was introduced in 1945, the idea behind it was to assist farmers to retool their operations after the Second World War. Also it was designed to assist the manufacturers in this country and in North America to supply a market for the new machines which they could turn their attention toward manufacturing because the war was finally over. Also it provided guarantees for the lending institutions, primarily the banks, and eventually the credit unions were able to get in on the program as well.

If there are occasional losses because of the loan guarantees part of the program, I think it has been made up for many, many times by the fact that it has created employment for people in the manufacturing industry, the sales industry, the agricultural machinery industry, and to some extent has assisted in increasing the productivity of Canadian farms.

The loans have not always been universally available. At times it is virtually impossible for farmers to get a farm improvement loan because the amount is limited each year. At least that is the story we are told at the banks. For that reason and a couple of others which I will come to, I think probably it is still necessary to continue on in this country having provincial lending institutions aimed at providing service to different types of farms.

The broad economic tools of the Farm Improvement Loans Act can be used to help farmers, manufacturers and banks, but these economic implements are basically effective as they apply to mature farms—farms that have been in business for a while, or farms on which a lot of money is not owed. Generally they are established operations that have been around for some time. Generally they have enjoyed reasonably good crops and reasonably stable production periods just before the point in time at which we measure them. For the beginning farmer or for those farmers who get caught in bad weather or with bad markets, occasionally we need other lending methods or lending institutions. Because it is not easy to make rapid changes in federal laws in federal lending institutions. I maintain the provinces have, of necessity, stepped into this field.

I am fairly responsive to the need of the provinces being in the field because of my own experience in trying to become a farmer 25 or so years ago. I had been attempting to build up some assets so that I could officially become a farmer. I had been farming with my father for three or four years, renting land, renting equipment and, in short, trying to learn the business and build up some equity. Some land became available and I went to the Farm Credit Corporation, knowing that I required the minimum of 25 per cent of my own assets free and clear before I could borrow another 75 per cent to buy the farm. After much bookwork, analysis and trading back and forth between the lending institution and myself, finally it was established that the amount of assets I had managed to scrape together only came to 23 per cent of what was required to set up the proposed farm. It was one of those situations where I could not buy less; farms come in certain discrete sizes. So, for the lack of 2 per cent of equity, the Farm Credit Corporation turned me down.

Fortunately for me—or probably I would not be here speaking to the House as a farmer—there was a provincial program in the province of Saskatchewan which demanded that a young farmer only needed 20 per cent equity in the farm he was trying to establish. So, I had 2 per cent or 3 per cent extra and I was able to borrow the money. At that time it cost me a little more for interest. Instead of 5 per cent, I had to pay 6.5 per cent. But I was able to get it established and was able to get a loan.

It is to cover those kinds of situations that programs have been established in provinces like Saskatchewan, programs which are aimed specifically at helping the beginning farmer who has not had an opportunity to put together a lot of assets, the farmer who needs the kind of assistance that the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) was talking about. I am referring to the kind of loan which does not have a lot of top loading, which in fact amounts to a subsidy for the first few years of the life of the loan. Essential-

ly that is what FarmStart does in our province and what goes on in a lot of provincial loan programs in other provinces across the country. They are necessary because these are not the kind of programs that are available under the Farm Improvement Loans Act, or have been available under the Farm Credit Corporation.

● (1510)

I am aware that there seems to have been a perhaps unspoken but definite change in the internal policy of the Farm Credit Corporation in regard to beginning farmers. I am not sure it is even that well defined within the Farm Credit Corporation Act, but when you look at the record you will see that five or ten years ago 15 per cent to 17 per cent of loans were being made to farmers under age 35, and the current situation is that something over 70 per cent of the loans being made are being made to farmers under age 35. There does appear to be a definite leaning toward assisting the beginning or younger farmer to get established, and I think that is to the good.

The problem, of course, is that in the kind of inflationary period we are currently facing, the total amount of money available through this program never seems to be quite enough. I can remember when we had an upper limit on all of our loans outstanding for farm improvement of $10,000. This was moved up eventually to $25,000. I recall when that move took place and the hand-wringing, hair-pulling and hair-tearing that occurred among those people who suggested that by increasing the amount of loan capital available to farmers we were simply adding to inflation, which was starting to become a worry at that time.

The theory of some people was that if you increase the amount of money available, farmers would only spend it and that would help to bid up the price of equipment; manufacturers would perhaps take advantage of the situation and raise the price of equipment. I do not know whether that was the reason for the increase, but in fact we have gone through that increase and another increase of the upper limit to $50,000, and now we are going to $100,000 from $75,000. Whether we are following inflation or causing it I will leave to someone else wiser than I to discuss. I only point it out because it is a fact we have to live with, and inflation is probably one of the main reasons we are discussing this bill today to increase the amount of funds available to individual borrowers.

The farm debt load that the agricultural industry in this country is carrying is approaching a level where we should be quite concerned about it. A recent article by R.S. Rust entitled "Farm Finance". which came out in the farm *Market Commentary*, put out by Agriculture Canada, in the December, 1979, issue, points out that:

> Farmer investment in real estate, machinery, and livestock increased from $61,247 million in 1977 to $70,188 million in 1978, an increase of 14.6 per cent compared with a 7.5 per cent increase a year earlier.

Most of that increase is a result of increased valuations of land, buildings and equipment brought about by inflation.

The article goes on to state:

> Farm debt in 1978 increased to $12,327 million from $10,811 million in 1977—

Farm debt figures are always being tossed around, but the estimate for 1978, and this is a relatively official figure, indicates an increase of 14 per cent over the previous year.

A lot of people do not worry very much about the amount of farm debt or the fact that it is increasing at a rate faster than the inflation rate. If they are not worried it is probably because they have what I term the banker's attitude toward debt. They simply look at the market value of the assets against which that debt has been taken.

When you look at the raw figures it does not seem as though we have very much to worry about in that the debt amounts to about 17 per cent or 18 per cent of total assets, being the book value of Canadian farms at this time. However, most farms that are active and growing carry far more than 17 per cent of their assets in the form of debt. Certainly beginning farmers will be carrying as much as 75 per cent of their total net worth in the form of debt. If you do some very rough calculations you will quickly see why some of the people who have been in business for only the past ten or 15 years are very concerned this spring.

For ease of calculation let us use $100,000 as a base, and I realize that the average farm in Canada is two to four times that amount. We can quickly see that if 50 per cent of the farm is tied up in debt, the interest payment each year at current rates will be around $10,000. Therefore, you have $10,000 interest on a $100,000 investment. The very efficient farmers in my part of the country on the prairies are very lucky if they can turn over their capital once every five or six years, and the average is to turn over the capital about every ten years. If we take it on a once in five year base, which is extremely efficient, half of the farmer's total income goes out in the form of interest payments. As I have said before, interest payments represent the greatest expense of most farmers in Canada today.

When a farmer gets into a situation in which markets have been bad for two or three years, or when the market suddenly drops, and I am thinking now of places like the maritimes where potato growers have had three bad years in terms of market prices or the prairies where the U.S. boycott has now cut the price, and considering the prospect of a drought, this increase will probably not be adequate. While this particular change in the Farm Improvement Loans Act will be welcomed, and the funds will probably be used, when we consider the situation that exists in the country more than likely it will not be adequate. Lack of income has to be made up by borrowings so we must have on hand the kind of economic tools necessary to handle that kind of situation.

While I support the amendment that has been made to the act I suggest it does not go far enough to deal with the situation that exists now, this spring. If we continue to see the world grain price decline, along with a drought, this will be totally inadequate, and I would hope we would have some additional legislation, perhaps a combination of amendments

to the Farm Improvement Loans Act and the Farm Credit Corporation Act, to deal with these situations which I foresee developing here and now in this country.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I too have a few remarks to make about Bill C-27, to amend the Farm Improvement Loans Act. The purpose of the legislation, which was first enacted in 1945, and the value of it and the use it has been put to since, have been covered by previous speakers and I do not want to prolong this debate by going over them but I think there are a few points that need to be made in connection with the bill.

● (1520)

Farmers today are facing increased costs. The same is true of many other segments of our economy. Farmers today need money in order to operate more than they ever needed it before. They need money for fuel, for fertilizer, repairs to machinery and for labour, in order to get a crop into the ground and then to harvest it. Capital has become a greater factor in the time that I have been part of the farming community.

Farm improvement loans have been very useful to me in the past. The first loan I ever had was a farm improvement loan. At that time the interest rate was 5 per cent and the maximum amount was $7,500. In 25 years the limit has reached $100,000 and the rate is set at no more than one per cent above the prime rate. I do not consider myself ancient or over the hill, Mr. Speaker, but in the time I have been farming things have changed dramatically. This bill proposes to increase the loan limit from $75,000 to $100,000, the increase being over three times the amount available under the Farm Improvement Loans Act when I first sought a loan.

Financing has become a very important part of the farming operation so the bill is very appropriate in that it will help deal with some of the problems that farmers have in coping with increasing costs. Not only have input costs gone up but so have capital costs, machinery costs, and land prices. The increased limit is therefore welcomed.

I could give the House some figures to illustrate how costs have risen in the past couple of years. In the calendar year 1978 they increased 18.7 per cent over 1977 for the country as a whole. The increase for the year 1979 over 1978 was 15.5 per cent. This increase of 15 per cent to 20 per cent per annum shows that there will be a need for increased borrowings of the same magnitude if farmers are to be able to stay in business.

This bill is very relevant to the large rural riding of Portgage-Marquette in Manitoba which I represent, Mr. Speaker. For Manitoba farmers the increase in operating expenses for 1978 over 1977 was 17.4 per cent, and for 1979 over 1978 the increase was 14.1 per cent. These are substantial increases in farm costs, Mr. Speaker.

I see that the minister responsible for the Canadian Wheat Board is in the House, Mr. Speaker. I was somewhat disappointed that the initial payment was not set higher. True, it is 25 cents per bushel more than it was a year ago. Very soon after the initial payment was set a year ago it was increased by 50 cents per bushel, so really the initial payment announced some time ago for the coming crop year is less than farmers are receiving as the initial payment in the current crop year. That is very distressing in light of the way current costs have increased. There could be a good case for increasing the initial payment given the fact that world prices for grain have, if anything, increased. Prices are certainly not any less now than they were a year ago when the initial price was set at 25 cents per bushel higher than now. I would urge the minister to look at this seriously and as quickly as he possibly can.

Mr. Whelan: He is, and he is very much aware of it.

Mr. Mayer: I hear the Minister of Agriculture (Mr. Whelan) commenting that he is doing that. I hope the minister will give his support to the Minister of Transport (Mr. Pepin) who is responsible in this chamber for the Canadian Wheat Board, in order to see that such an increase is allowed.

Mr. Whelan: It will be done.

Mr. Mayer: If that is the case it is certainly welcome news, and the sooner it is announced, the better. It is one thing to increase loan guarantees through a bill such as this, and it is certainly needed, but farmers need more income. If they can be assured of a higher initial price, that is certainly welcome news. If that is the case, then the sooner the announcement is made the better, and I will look forward to it.

While I have the attention of the Minister of Agriculture I would urge him to bring forward at the earliest opportunity the meat import law referred to in the Speech from the Throne. I do not know whether the minister remembers, but my first contact with him was some three or four years ago on that very issue. It was one cold winter evening in Winnipeg. The beef industry in this country was going through some very bad times in part because Australia and New Zealand were literally clobbering our producers with excess imports. I might say that at that time the minister was not very receptive to our pleas that he control the imports. He had the vehicle to do so. He did not need a beef import law but could have done it under the Export and Import Permits Act. In fact he ended up doing that some time later using the Export and Import Permits Act. Before the restriction was imposed on the massive quantities of beef that the Oceanic countries were sending to Canada, some serious damage was inflicted upon the beef industry. Indeed, the industry has not fully recovered yet from the damage done by those massive imports in 1975-76. I would urge the minister to bring forward legislation as quickly as he can so that our producers can be assured of a future for the beef industry in this country.

This is the type of legislation that farmers need to enable them to stay in business without having to borrow so much money. It is one thing to borrow money and another to pay it back. What we need, in order to pay it back, is a means of generating income. A program to increase the initial payment for wheat which would let producers know that they will receive at least as much as they have this year in their initial

payment, and a program to assure the beef industry that there will not be a repeat of the 1975-76 situation, are badly needed. If the minister brings such legislation forward I can assure him that we on this side of the House will support it, provided it is drafted to give some sensible quotas to offshore imports.

It is very important at the present time that such legislation be brought forward because of the serious drought condition in western Canada. It is bad in my part of the country and I am sure it is even worse in southern Saskatchewan and southern Alberta. There is virtually no grass. At this time of year producers decide how many heifers to keep as replacements, and what the size of their cow herd will be a couple of years ahead in order to supply the consumer with beef even further ahead. The borrowing limit can be set as high as we want and things made attractive for borrowing, but if there is no assurance that the producer can pay it back, and that the markets will be available all is for naught. Legislation should be brought forward quickly so that it can be debated and passed and beef producers assured of a market if they decide to increase their cow herd by breeding more heifers. This is a particularly critical point at this time of year, in view of the grass conditions in western Canada. Roughly three-quarters of the cow herd in Canada is located in the three prairie provinces, so it is an important issue at this time.

Another matter that I should like to touch upon briefly is the question of grain transportation. Western Canadian producers have been missing markets because they have not been able to get their grain to deep sea ports for export. Had they been able to do so, not only would they have been able to contribute to their community but to the whole country.

I have seen conservative estimates of lost sales of something in the order of half a billion dollars for the last two crop years. The possibility of potential sales lost must also be considered because there is no incentive for producers to grow grain if their graineries are full. Had the grain been moved, of course there would have been additional production which would have accounted for another half a billion dollars in sales.

● (1530)

When one considers we should have sold an additional $1 billion worth of grain that not only would have benefited the areas in western Canada but would have been of tremendous benefit to the whole country in terms of helping our balance of payments, helping the value of our money and helping our interest rates, therefore making it less necessary for people to borrow the money. With that kind of income added to our balance of payments, one could make a very good case that our interest rates would not have needed to go as high as they have in the past few months. Therefore grain transportation plays a very important and vital part in keeping producers in business and in seeing that they earn enough money to repay the loans that they make under the Farm Improvement Loans Act.

There is one other comment I would like to make concerning the farmers' ability to produce. On the average we are served very well by our farming community in this country. We are among the top two or three countries of the world in terms of food. For instance, on the average we spend somewhat less than 20 per cent of our disposable income on food. This is an average, and it is not intended to imply that there are not people in Canada who are having trouble feeding themselves on the income they receive. But this only tells part of the story, because not only do we spend a small percentage of our income on food, but when we spend it we are able to purchase an exceptional variety of foods, we are able to purchase foods out of season, we get exceptional packaging of goods, and we eat a lot of food away from home in restaurants. This is all included in the less than 20 per cent of our disposable income spent on food.

One of the ways one can define a developed country is to talk about the percentage of gross national product that a country spends on food. If we have to spend 50 or 60 per cent of our working hours feeding ourselves we would not have time for coloured televisions, vacations, and all the things we take for granted here in Canada. We would all have to be hoeing our gardens after supper so as to feed ourselves. I do take a lot of pride in being a farmer when I think that I have had a chance to contribute to the standard of living that we enjoy in this country. If it were not for the fact that we are as efficient as we are as farmers, we would not be in that happy situation in Canada.

I support the bill in principle. I welcome the proposal that the borrowing limit be raised from $75,000 to $100,000. I was pleased to hear the minister say that at committee he would entertain any amendments that would be of benefit to the farming community. That is a very welcome and open attitude, and it is the kind of attitude we have in the agricultural community. There is less partisanship and certainly as much good will in the agricultural community in terms of the political part of it as there is in any other segment of our economy. I think the minister's statement to that effect is welcome, and I certainly intend to hold him to it if there are some amendments that come forward at committee that are likely to be of benefit to the farmers.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I will try to reinforce and reiterate some of the fine remarks that have been made by the members of my party, namely, the hon. member for Okanagan-Similkameen (Mr. King), the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), and the hon. member for Portage-Marquette (Mr. Mayer). We support this legislation. It is an ongoing piece of business but continues to appear every three years. The tone of the remarks made by all sides of this House indicate to you, Mr. Speaker, and to the Minister of Agriculture (Mr. Whelan), how important the people of rural Canada feel about the Farm Improvement Loans Act.

This is legislation that has been here since 1945. It has served the farmers of Canada, and the farmers of my region of Canada very well over that period of time. But I would like to ask the Minister of Agriculture, in the spirit of co-operation that always develops between himself and members of my party, that because of the guarantee that is placed, because of the involvement of the Government of Canada in guaranteeing

loans through the Farm Improvement Loans Act, an onus be put on the banks to make this farm improvement loan scheme available to farmers.

There are several different kinds of loans and there are several different reasons for refusals, but usually the refusal is because the banking industry has the ability to make more profit from a different type of loan. Because of the involvement of the government and the guarantees placed by the government on the farm improvement loans, I think it is incumbent upon the government to make a very strong request of the banking community that these loans be extended at all times to farmers who qualify.

I would like to list some of the applications of the Farm Improvement Loans Act and some of the numbers and usages in my province of Saskatchewan. In the year 1978 there were 7,438 purchases of farm implements. There were 276 loans for land clearing under the farm improvement act. There were 238 loans for purchase of livestock. There were 13 loans for major repair and overhaul of implements. There were 1,107 loans made for the purchase of combines, and 179 loans for hay bailers.

When one considers there are 150,000 permit book holders in western Canada and probably 60 per cent of those permit book holders are in the province of Saskatchewan, it is a very small number of people who are taking advantage of the Farm Improvement Loans Act. I know that it is not because they want to pay higher interest rates, but because of the needs of the banking industry—and I recognize it as other people do—to make a profit. Farmers seem to be the only ones who go into something for exercise. The banks do not go into things for exercise; their motive is profit. I think those numbers indicate that there may be a need for the government to request that the banks make these loans available to farmers and cattlemen regardless of the interest rate if they qualify.

I agree with the need for a national food policy, but the people who seem to be the most vocal and most persuasive when it comes to a national food policy are consumers. We realize everyone has to buy food, but the problem is that consumers demand cheap food. Again, I think it is incumbent upon the government—and I know that the Minister of Agriculture believes this—to guarantee a stable agricultural community. One cannot do that with a promise of cheap food.

We have a commitment or a trust placed on those of us in Canada because of our wealth and our natural resource of land to assist in feeding the hungry world. The implication that goes with this is a great challenge to producers. But producers will only assist in the need for feeding a hungry world if, at the same time, they make a profit on their operations. The need for a strong agricultural community, be it grain, hogs, or cattle, demands there must be a profit in order for them to maintain their survival as farmers. In this way we hope to contribute to the hungry of the world.

I do condemn the government, for its cheap food policy and I know the Minister of Agriculture cannot take total responsibility because we know he is a man of good faith and has a deep understanding for the farmers' problems. However, we must have the ability to back up the Minister of Agriculture so that he can make his concerns and the concerns of us all felt in the present government. We find that the present government is lacking greatly in concerns for people of the soil. Whether they be in the hog industry, the cattle industry or in any method of growing food. It is of concern to us and I know it is of concern to the minister. Therefore, we must make a commitment here to assist him if he has any trouble convincing his cabinet colleagues of the needs of agriculture.

• (1540)

I would like to talk briefly about farming and small business. Many people who are not familiar with the business of agriculture do not think of it as a business. Small business and farming go hand in hand. Members of the farm community consider themselves small businessmen. They are like small businessmen in other areas of endeavour who are not asking for a handout. They are not asking for something for nothing. What they are really asking for is the ability to be left to function without the heavy hand of government and without the heavy hand of bureaucracy. They want to be given the tools to do the job of feeding a hungry world. They will be able to do that as long as the red tape, the bureaucracy and some of the large things that come from big government that bother small businessmen, are kept away from small businessmen, which includes farmers. There is no way we can consider the tools needed for big business and those needed for small business in the same breath. That is why the Farm Improvement Loans Act along with the Farm Credit Corporation is of great assistance in agriculture.

The Farm Credit Corporation has served us well in Canada over the last number of years, but there has been a problem in interpretation. It should not be necessary for someone starting in the business of agriculture or farming to provide two half sections to purchase one, to put up double security to enable him to be eligible for a farm credit loan. Farm credit loans are there and are given in good faith.

If there was a young farmer in the minister's district who wanted to start farming and he had a quarter, 200 acres, or however land is measured there, the minister would be able to judge this young farmer or businessman. He would be known in the district. The Minister of Agriculture or anyone else in that community would be able to tell the credit supervisor of the Farm Credit Corporation whether that young person would be a success in business.

I would ask the minister to consider having four neighbours of a young or beginning farmer sign a pledge, and maybe put up a $25 bond that they would guarantee and do what they could to assist the young farmer getting into the business of agriculture, rather than make the young farmer put up a half section or section in order to buy a quarter or another half section. If you limit the need for excessive security and have this type of pledging, it would assist the young farmer in his operation. It would go a long way toward guaranteeing and assisting that young man or woman to be successful in the business. I do not want to carry on too long—

Mr. Whelan: Hear, hear!

Mr. McKnight: The minister says "Hear, hear!". I have been very kind. I have not said anything the minister would not say to me if he was on this side. I wish to take a few moments to go back and talk about farming as a business.

Farming today in my constituency and area involves a total investment of $500 to $600 an acre in order to have a viable and operating farm. The average farm is around 800 to 900 acres. It is worth about half a million dollars. You must consider the cost of machinery. Comparing the potential cost of machinery now with last year, machinery prices in 1980 are up 10 per cent to 15 per cent over what they were in 1979.

There has been an increase in the cost of farm labour of about 7 per cent in 1980 over 1979. Petroleum prices have increased. Electricity has increased. The cost of input is greater now than it ever was. As a matter of fact the cost of input in crop production has increased since 1973 by about 105 per cent. It is incumbent upon the Minister of Agriculture to assist his constituents, who happen to be the farmers of Canada, to take a look at the commitment made by his government in the campaign in February, 1979, the commitment that they would endeavour to bring in a two-price wheat system which would add stability to the marketplace and give protection to the consumer.

The commitment was made to the two-price system so the government would maintain it for domestically produced non-feed wheat. I do not know whether the minister had any discussions with the minister responsible for the Canadian Wheat Board, but they would like to maintain a protection from high world prices for the consumers, and they would like to give the producers the ability to achieve the same prices as high export prices would give them.

I find some difficulty with the statement that, now that the price of a bushel of grain is being increased $1, the price of a loaf of bread will increase five cents to the consumer. The Minister of Agriculture knows that is not true. He knows, as we know, that it represents only about 2.3 cents or 2.2 cents increase per loaf if you raise the price of a bushel of wheat $1.

I would like the minister to do something else which his government promised during the campaign, that is, establish a commission to give fair and accurate information on the difference between the farm gate price for food produced in agriculture and the retail price.

Mr. Whelan: That's coming.

Mr. McKnight: The minister says that is coming. We on this side welcome it. I would like to talk about something else that is apparently coming. During the mini-budget presented by the Minister of Finance (Mr. MacEachen), one thing among others that was left out came to my attention. After using several of our proposals in the budget that was defeated in December, in their mini-budget, I had hoped they would use another one, to defer up to $100,000 in capital gains for farmers retiring. This would assist young farmers becoming involved in the business. It would decrease, or at least not increase, the cost of entering the business of farming. As it is now, farmers retiring consider the cost of capital gains in the price at which they sell their farm. They take that into consideration. I have not heard the minister say that is coming, but I certainly hope it is.

I conclude by saying that we on this side support the bill. I do not want to make my friends from the Atlantic region feel bad, but I would appreciate it if the minister of Agriculture could increase the upper limits of the Farm Improvement Loans Act to the same degree as the Fisheries Improvement Loans Act. I think the additional $50,000, from $100,000 to $150,000, would certainly have been a great benefit to the agricultural industry. As you are well aware, Mr. Speaker, $100,000 does not go far in meeting the cost of fertilizer, the cost of pesticides, and the increasing cost of fuel. So perhaps the minister would ask his colleagues; we would certainly support him.

• (1550)

One other thing. I would ask the minister to use his good offices when it comes to protecting producers of cattle. I am sure he is aware of what I have in mind when it comes to extending to cattlemen and farmers the right of protection which other producers have in the market place from foreclosures. I am talking about the packing industry and money lent by banks on the word "procure" rather than "purchase" of cattle. I think the minister would find there is unanimous support on this side; I know there is some support on his side, and we gather we may be able to get this change made.

Once again, I endorse this bill with reservation. I commend the minister for his work and commit myself to assisting him in a spirit of good will to making any improvements which may be necessary.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to speak for just a few moments as it certainly is not the intent of the opposition to hold up the bill.

Mr. Knowles: Some have a baker turned into a farmer.

Mr. Baker (Nepean-Carleton): I am surprised the hon. member for Winnipeg North Centre (Mr. Knowles) is not too familiar with the riding in which he resides from time to time. As he should be aware if he drives outside the area where he and I both live, there is a very large agricultural area. As you yourself are aware, Mr. Speaker, there is a very large area—the city of Nepean itself, the township of Goulburn, the township of Rideau, the township of Osgoode, have some of the finest agricultural land in Ontario. We are rather proud of this, but that is not the reason I rise. I rise, Mr. Speaker, to indicate to the minister that we want him to have passage of this bill today because we think it is important that he has it today. We also want him to have the next bill, the livestock assistance legislation, today, and we do not intend to impede the passage of that bill, either.

I want to point out to the minister and ask him to recall, if he would, the exchange which took place today between the

hon. member for York-Peel (Mr. Stevens) and the Parliamentary Secretary to the Minister of Finance (Mr. Evans), as well as the exchange I had with the Prime Minister (Mr. Trudeau) during the question period. It must be disturbing to Canadian farmers if they follow what was said—and I am sure they will—that the Bank of Canada is intervening with respect to the interest rate situation so that the farmers of the country, as well as others, are not going to have the advantage which exists today in the situation of interest rates going down. In other words, they are being denied the normal attrition of interest rates, which I think is important.

The Minister of Agriculture (Mr. Whelan) has been with me throughout my constituency, as he well recalls, and he met the delegation of farmers who are very much concerned about interest rates and how they affect them in their operations. I rise to commend that to the Minister of Agriculture as we give approval to his bill and the other one today. These are very important pieces of legislation.

One other matter which I am happy to see—and in this I join the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton)—is that the regulatory power is moving from the Department of Finance to the Department of Agriculture where it really belongs. I hope the government will take into account what my hon. friend from Qu'Appelle-Moose Mountain said about the appropriateness of gathering these matters in the department where they would seem to have the greatest impact and the greatest place.

I would be grateful if the minister would at least consider that in promulgating regulations under this bill to the extent that it is possible, consideration be given to the advance publication of any regulation that may be made under this statute, or any other statute over which he has jurisdiction, perhaps even in *The Canada Gazette*—I know that isn't family reading at nights around the dinner table, but in *The Canada Gazette* or in the farm publications, in this particular case—so that in advance of the impact on the agriculture community it will have the benefit of the opportunity to consult with the government with respect to the impact of regulations made from time to time. As the minister knows full well, that is an important part of the legislative apparatus and it is a part of the legislative apparatus which sort of sneaks up on people. It is not done here in the House of Commons. I wish he would take those two matters into consideration.

Mr. Speaker, I welcome the opportunity to speak just for a few moments in this debate on a matter which is important, and I hope that the speeches which have been made on both sides of the House today will indicate to an even greater degree than has been the case heretofore that the food industry does not begin at the refrigerator door. Indeed, there is a great deal of risk with respect to the food industry that other businesses and other callings do not face. We intend to give passage to this bill forthwith, and if the parliamentary secretary would call the next bill he has on his plate, we intend to deal quickly with that as well.

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

Some hon. Members: Question.

Motion (Mr. Whelan) agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. It being four o'clock p.m. the House will now proceed to consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

* * *

LIVESTOCK FEED ASSISTANCE ACT

MEASURE RESPECTING TRANSPORTATION COSTS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-15, to amend the Livestock Feed Assistance Act, be read the second time and referred to the Standing Committee on Agriculture.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Collenette: On a point of order, and just for the record, Mr. Speaker, I think we should agree to stand motion No. 1 in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Deputy Speaker: Shall item No. 1 stand by unanimous consent?

Some hon. Members: Agreed.

* * *

METRIC SYSTEM OF MEASUREMENT

SUGGESTED INTRODUCTION ON VOLUNTARY BASIS

Mr. Geoff Scott (Hamilton-Wentworth) moved:

That, in the opinion of this House, the introduction of the metric system of measurement should be done on a voluntary basis.

He said: Mr. Speaker, I rise to bring democracy to metrication in this country.

Some hon. Members: Hear, hear!

● (1600)

Mr. Scott (Hamilton-Wentworth): For too many years Canadians have been force-marched into a measurement system they neither know, understand nor, in my view, need. In addition, converting to metric has been an irritating, frustrating and very costly experience to many millions of people in this country?

I am serving notice this afternoon that we Canadian consumers do not like the way the previous Trudeau administra-

tion imposed metric conversion on this land without any consultation with Parliament, other than in a most strictly formal sense. There was no desire by the previous Liberal government to allow a full debate in this House to assess the human impact of metric conversions. On the only two occasions that I know of that the subject of metric conversion came before the House, it was a time exactly like this, the ghetto hour of Friday afternoon between four o'clock and five o'clock. In fact the last time was in 1975 on a Friday afternoon, March 17, St. Patrick's Day, somewhere around 3.30 or four in the afternoon. One can imagine how much interest and attention were being paid to the subject then.

Any amateur observer of the proceedings of the this chamber will know that a so-called debate during this hour is about as exciting as watching a casket warp. Still, this desperate hour represents the very first time that Parliament has examined the human factor in going metric. I regard this intervention as merely an opening shot in the debate on the need for voluntary metric conversion.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): The intent of this motion is to impress on the Parliament of Canada the need to listen to the people of this country regarding their resentment of the way metrication has been imposed on Canadians. I do not think it is widely known that this imposition of metric on the Canadian people has been the greatest intervention by a government in the lives of more than 20 million Canadians since World War II. Total metrication was not only a creature of the former Trudeau government, but it remains a present commitment and, indeed, an indelible commandment of the current administration: proceed, and damn the torpedoes. My notice of motion is, as I say, to bring some democracy and some sanity to the whole metrication process.

Let me refer to the metric overview board's review of the metrication process and recommendations for action, and while mentioning this report which, incidentally, has not yet been made public by the government, may I on behalf of many members of this House of Commons commend its authors, Mr. Gordon MacEachern and Mr. Rex Werts, for their thorough examination of this very important subject affecting the lives of so many Canadians.

This matter of voluntary conversion is one of the greatest importance. Time and time again in the white paper of 1970 when it came before this House, emphasis was laid on the fact that the discussed change to metric was to be achieved by voluntary means. This promise soon became lost in the actions which followed. Metric Commission officials continue to refer to actions being voluntary because the consensus principle was applied. The metric overview board has insisted that due to the actions of government this is only voluntary in the old army sense: you have no choice but to volunteer.

Throughout its work the overview board has upheld the definition of voluntary used by the American National Metric Council: "Voluntary: freedom of choice as to if and when conversion is to be carried out". The executive director of the Metric Commission I have never met, but the commission itself certainly has been almost unaware of the rights and opinions of the people of Canada.

In more recent times the commission has appeared to lose credibility as it chose to ignore the rising opposition to metrication either at home, in the United Kingdom, or in the United States. As the United States is by far our paramount trading partner in every respect, I think it behoves us as a matter of common sense to bring our metric posture into line with America's, and right away. Whether we like it or not, the North American economy is so interlocked with so many pervasive linkages, products, factories, corporations, equipment, communications, information systems, advanced technology, research and development, community of regulations, measurement standards and statistics that, in my view, any basic move to use a different measurement system entirely here is almost incomprehensible. The United Kingdom has recently moved to slam the brakes on metric for the next ten years, and now—would you believe?—Japan, one of our largest importers and exporters, has admitted metric defeat.

During a meeting in July, 1979, in Sacramento, California, a member of the California Metric Conversion Council told the group that he had been informed that Japan had enacted legislation which now legalizes the use of traditional, customary measurement units once again. Some of the old units would be used along with some of the metric ones as they had done before a number of years ago. According to the report, the relegalization of the old units took place only after considerable public pressure was brought to bear on the law makers for the last two years. That is the kind of public pressure that I hope we are able to launch here in this House of Commons right now.

Japan has had confusion in its measurement field for many years, apparently, since it first began to utilize metric in the pre-World War I days. In any event, industries held on to some of the nationalized metric units, but they did not agree with the European metric in a number of ways. They even came up with a metric screw thread in Japan for industry which did not coincide with the French-European metric thread sizes, so export customers like the Americans who purchased Japanese cars and motorcycles later requiring repair parts soon learned that there would be problems if they mixed the two types of metric nuts and bolts.

What did the Americans do? Not agreeing with either system, they came up with a so-called modified metric system, and now we have three different kinds of nuts and bolts, and all three thread types are different and cannot be interchanged.

The nationalization of the metric system has been going on almost as long as metric has been known in many countries around the world. Most nations have provisions for changing metric units to suit themselves. We have a metric system, the system *internationale*, which is used, to my knowledge, in only three other countries of the world, South Africa, Australia and New Zealand, and now we are going into metric, so I do not buy the argument that Canada's going metric puts us in step with our trading partners around the world.

Canadians are not being asked—they are being forced—to abandon a lifetime of tradition, education, knowledge and experience in one measurement field, without any real proof that the new system will be of even marginal benefit. The study our research office did hits the bottom line of concern to many of us on this side of the House. There has been no estimate of how much the switch to metric is costing Canada, but estimates of the cost of going totally metric in the United States are as high as $100 billion—that is with a "B".

There is no question that conversion is very costly for a country which is struggling to keep inflation below the double-digit level. What is happening, in my view, is that a non-elected body has proceeded with plans to convert the country to the metric system, so far without any curbs by the House of Commons. It is costing governments, private companies, corporations, stores, service stations, mechanics and others millions of dollars to convert to a new measurement, all at a very difficult time in Canada's economic life.

If the metric momentum has grown to the point where we cannot throw the process into reverse—and I do not suggest for a moment that we do—then Parliament must have a chance to examine the implications of going totally metric and, at the very least, I believe this government must listen to the people's real concerns, their complaints and confusion about metrication, before the scheduled completion of the timetable in 1982.

One area of metrication which officially concerns me as opposition critic on consumer affairs is the impact the changeover is having on shoppers across this country. My colleague, the hon. member for Peterborough (Mr. Domm), has eloquently set out his community's woes as one of the three metric testing centres in Canada. I assume that the strong feelings of Peterborough's consumers and the business community would be echoed in Sherbrooke and Kamloops, the other two test centres. I certainly know how the vast majority of my people regard metric shopping in Hamilton-Wentworth.

It is not just the inconvenience of mentally trying to convert in the supermarkets that concerns me. It is what more and more consumers are beginning to realize is a substantial rip-off by manufacturers of many products as we Canadians pay through the nose for metric labelling, packaging and handling, and the changeover certainly can dramatically be demonstrated with fluid milk. That has not been a happy changeover. Housewives and the consumers are constantly facing ever higher prices for fluid milk. With the switch to smaller litres which require 12 per cent more cartons and 12 per cent greater handling than pint and quart cartons, consumers in each province found the smaller cartons actually costing about as much as the former larger standard ones.

● (1610)

Every province has the problem and each one has had to find some way to ease the blow of this completely unnecessary new cost, at least for the moment. The cost increase, however, goes on forever and people will pay it. The dairy activities generally come under provincial jurisdiction. The fact is that processors have been involved in the federal metrication sector and they encourage this metric overview board in its report to see if something could be done in Ontario.

As Ontario represents one third of the nation's population, that alone justified the action. Only the one and two litre cartons, which account for 30 per cent of Ontario's purchase of milk, are involved this year. The three quart plastic jugs are scheduled to be changed to four litre jugs in about two years. Nevertheless, the initial change is calculated to cost the people of Ontario about 6 cents to 7 cents a quart in the first full year, or about $25 million in additional expense. It is estimated that this will rise from $55 million to $65 million once the three quart jug is changed. From the processors' point of view, there is nothing but very sizeable costs for new filling and handling equipment, without any offsetting benefits.

I should like to interject here one fundamental point. I think we have to make this very clear to consumers, particularly to parents across this country. Arguing as I am against this headlong plunge into the metric system, I would also like hon. members to understand that I do not wish in any way to interfere with our younger generation's total acceptance of metrication. They are growing up in a metric world, but they have a freedom of choice to operate either in the world of metric or with standard imperial measures—a freedom of choice which is denied to many millions of other Canadians who have not had the luxury of metric teaching. Actually, the parents themselves are often being converted by their kids enthusiasm for the system. One fellow I know in my riding has three children aged 6, 15 and 17, and they think he is an old fogey because he still has to convert to metric.

While I have sympathy for those who come a cropper over metric, these minor irritants over conversion are not, in my view, reason enough to hold it up, or even to stop and re-examine it, although you do run into some interesting situations. I can think of one of my constituents who works at the Flamborough Downs racetrack in my riding who broke people up one morning complaining it was 18 kilometres below zero. I also know of an unfortunate lady in Ancaster who was recently bereaved and had neglected to pay her hydro bill. When Ontario Hydro sent her a reminder of payment, the lady returned the money forthwith, unaware that Ontario Hydro's billing system had gone metric last September. The lady dutifully paid the date—the thirteenth day of the ninth month—$13.09. Hydro still came back at her to forward the remaining $5, which she did, but by now the episode left everyone scratching their heads.

My thanks to Ottawa *Citizen* columnist Dave Brown for this gem. It happened here in Ottawa recently to Mr. John Shouldice of Crescent Drive. I am not sure if it is in your riding, Mr. Speaker. He was frustrated by a bit of metrication. He was trying to translate a litre into an American quart. He went to the source, the Metric Commission. As happens every time when you go to the Metric Commission with a specific request of this kind, you will get hesitation, and then the answer that nobody knows the answer. So he called *The Citizen,* and they brought out their handy little pocket calculator. It said that an American gallon equals 3.7854 litres. Our friend went back to

the Metric Commission, told them that and they confirmed that, yes, an American quart was exactly equal to one litre less a little bit. Mr. Shouldice, needless to say, was not very impressed.

Millions of Canadians have been metrified about what has been happening to their way of life, but the fact is that metric is a way of life, it is a fact of life in this country. I do not believe that we can put the toothpaste back into the tube, metric size or otherwise. Our government's minister of state for small business and industry, the hon. member for Capilano (Mr. Huntington), has stated that he is convinced that international realities, present and future, "will demand that Canadians accept the fact that metric is here to stay."

It may well be that total metric conversion in Canada is inevitable. But that may take another 20 or 30 years. In the meantime, I see no reason for the Metric Commission and this government to continue to force-march the Canadian people through a total conversion to metric. There is clear evidence of massive public resistence. Metrication is economically unrealistic in many sectors of Canadian society. Many of our middled aged and senior citizens are needlessly bothered, inconvenienced, angered and confused by a system they do not understand and never cared to know about. Above all, the mandatory imposition of metric, I feel, has contributed to this Liberal government's image of bureaucratic interference in the lives of the average Canadian.

It was in the famous debate on St. Patrick's Day on March 17, 1975, that the hon. member for Burlington (Mr. Kempling), as reported at page 4162 of *Hansard*, said:

> We should not be proceeding by order in council or resolution; we should be proceeding by means of a bill. We should have a bill which sets out all the details of the program. The guidelines and the program should be laid down so that we may proceed in an orderly fashion. Instead, we have a loosely worded order in council which allows the Metric Commission to proceed as it sees fit. I believe it would have been better to have a bill, to have a full debate and then to have the Metric Commission appear before a committee and reappear each year to justify its program and expenditures. We see in this commission another government body removed from the scrutiny of Parliament. We see it as a group that is a law unto itself and which proceeds as it sees fit.

I am sure that many hon. members who were here during that debate in 1975 quickly approved in principle the guidelines for metric conversion. There was nothing mandatory mentioned there, and then the matter was referred to the other place. The Metric Commission has never looked back since. I think every party in this House must shoulder responsibility for this oversight. We were taking far too much at face value without probing to see what lay underneath.

In conclusion, Mr. Speaker, I want to say that this metric issue cannot be treated lightly. It is a matter of grave importance to many Canadians. The spirit of my notice of motion is to urge the Metric Commission, through the House, to develop a public consensus as to, and support for, a new metric policy approach for Canada. I believe that this is ultimately the responsibility of Parliament representing all the people of Canada. Accordingly, I recommend that this House give serious consideration to an early and full discussion and debate on metrication in Canada by the Standing Committee on Finance, Trade and Economic Affairs.

I want to see the rest of the Metric Commission's timetable in all the sectors of the Canadian economy brought before hon. members with a view to getting a consensus in the House on current and future metric policy. Above all, I want to see the rest of Canada's metric program made responsive to the needs and the desires of the Canadian people—a voluntary approach to metrication as set out in the 1970 white paper. In short, as I began these remarks, I want to see some democracy brought to metric in this country.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, first of all let me say that I am a little confused by the remarks of the hon. member on the other side who somehow thinks we can find it in our hearts to sit between two systems. I must also make a confession to the House that I was converted to metric by my own family because I, too, resisted the thought at first, but they convinced me that my thinking was not in tune with the world.

The Weights and Measures Act of 1871 made the metric system legal for use in Canada. It was amended in 1971 to specify the international system of units as the improved system to be used. The policy that metric conversion was inevitable and in the national interest was established with the House leaders of all parties on January 16, 1970, speaking in support of the white paper on metric conversion in Canada.

● (1620)

I think it is well worth noting that the reason the white paper first came to be produced was in response to representations which had been pressed upon the government from widely diverse segments of the nation. These included such groups as the Consumers' Association of Canada, the Canadian Home and School Association, the Agricultural Institute of Canada, the Canadian Chamber of Commerce representing the business community, the Canadian Pharmaceutical Association, and the Canadian Council of Professional Engineers. These learned groups had given the matter some great consideration. They had become convinced of the practical benefits to be derived from a system with advantages that range from simplifying the learning process in school to improving and consolidating Canada's competitive position in world trade.

We should also keep in mind that there are some 102 voluntary sector committees with over 2,000 volunteer representatives from industry, labour, consumer and governmental bodies. Metric Commission Canada has had the over-all strategy of involving every sector from every region of Canada as early as possible in planning for metric conversion. All sector plans are developed through a consensus process, and voluntary sector committees take the responsibility for monitoring the implementation of their plans. The voluntary participation approach is characterized by plans which are developed by those who will have to implement them. This helps to ensure that the benefits are achieved at minimal costs. This plan is proceeding forthwith.

Sector plans have resulted from voluntary consensus on the means and timing of their conversions. In the case of prepack-

aged goods, the Consumer Packaging and Labelling Act has required a metric contents declaration since March, 1976. A program of guideline dates for metric conversion recommended by Metric Commission Canada, after consulting with industry, labour and consumer groups, was approved by the government and debated in the House of Commons on March 17, 1975. I am not sure of the time of day on which that occurred.

The Standing Committee on Finance, Trade and Economic Affairs studied this matter at length and voted unanimously in favour of it. It reported back to the House of Commons on December 17, 1976, with a recommendation that the House consider the advisability of adopting this program and also introducing additional legislation to metric conversion. Subsequently the Metric Conversion (Statute Law Amendment, 1976) Act was passed by the House of Commons on July 25, 1977, and received royal assent on August 5, 1977. The Metric Conversion (Statute Law Amendment, 1976) Act which was debated in the House over a period of nine months, gave the governor in council the power to set dates in any sector of the economy after which the use of the customary or imperial system would be illegal.

Out of a total of 33 sectors which have published metric conversion plans, there are only three sectors for which regulations have been issued under the Weights and Measures Act establishing cut-off dates for the sale and advertising of goods in other than the metric system. Regulations were requested by the working group on scales in the retail food industry, by the home furnishing and piece goods industry, and by the petroleum refineries wholesalers and gasoline service stations. These committees have consumer and industry representatives as well as appropriate government representation on them.

The moves to make metric conversion mandatory were initiated by the industries concerned and not by Metric Commission Canada. Where regulatory action has been requested, the industries cited are concerned about achieving an orderly conversion without unfair competition. They preferred government action to ensure that the ground rules for metric conversion are the same for all in the industry, thus reducing the possibility of consumer confusion to a minimum. We respectfully submit that that is a very logical and excellent approach.

To go into one further case, the working group on scales in the retail food industry comprises representatives of food retailing chains and independents, scales manufacturing and servicing enterprises, consumers as well as weights and measures regulating authorities. In 1977 it formally requested suitable regulations under the Weights and Measures Act to deal with advertising as well as the conversion of scales which were deemed necessary for achieving a co-ordinated and orderly transition to metric units. I should like to emphasize the fact that the decision to make metric conversion mandatory in this sector was made by the minister of consumer and corporate affairs and the cabinet on the recommendation of the food retailers and with the full support of the Consumers' Association of Canada.

The information I have provided in my remarks shows that the Canadian metric conversion program is almost entirely voluntary in nature already, and where legislation has been enacted and regulations used, it has been at the request of the interested parties. I should like to submit that we do not need a statute law on voluntary metric conversion because it is mostly voluntary already.

Some hon. Members: Hear, hear!

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to support the motion of the hon. member for Hamilton-Wentworth (Mr. Scott), I should like to indicate that I am very pleased to participate in this debate.

First, I would like to comment on the statements made by the hon. member for Thunder Bay-Nipigon (Mr. Masters). The hon. member is not dealing according to fact. When he said that the Standing Committee on Finance, Trade and Economic Affairs was unanimous in the passage of that bill out of committee, he was not telling the truth. I was on that committee and I fought that—perhaps Mr. Speaker is very much aware of that—along with my colleagues. It was not unanimous and never has been.

Early in the debate the government proposed to pass the bill in 1975, 1976, or whatever it was. It was sort of a conglomeration of weights and measures that was passed at that time. As far as I could understand, certainly it was not a metric bill. But the crucial thing in the passage of that bill was that it was done under closure. Had the government not brought in closure at that time, we would still be debating that bill in the House today. At that time it was Liberal government policy that they were going to force that upon Canadian people.

I just find it intolerable to think that Canadian governments would impose themselves, as the Liberal government has done over several years, on the consumers and business people in Canada. It is abhorrent that anyone would do this. This is why there is so much resistance to this in western Canada. I must rise on every occasion that I can in the House of Commons, at every opportunity, to impress upon the government of the day that consideration must be given to the resistance which is inevitable all over Canada, even in Peterborough, Ontario. They are forcing it upon Canadian people all over Canada, and a tremendous resistance is developing.

I read in the paper this morning where it has been said that there is a new group in the Liberal back benches which is willing to take a new approach to some of Canada's problems. I would hope that that new group in the party on the other side would give some consideration to those people, those consumers and business people who want no part of this system.

It has been said and written that one of the great strengths of Canadians is their integrity, steadfastness, strong inherent individualism, and pragmatism. It has been said and written that Canadians have provided ample evidence in the past that they will adapt to change if the change is perceived to be beneficial, but will resist it when it is not. The nub of the argument against the metric system is that the metric system is not perceived to be beneficial among a majority of Canadian people. Is it necessary? I suggest it is not, and it has never

been proven to be necessary to the satisfaction of a great number of Canadians.

● (1630)

In the 1970 white paper on metric conversion emphasis was placed on the fact that the change to metric was to be achieved by voluntary means. That is why this motion by my friend and colleague, is so important. Let the Canadian people choose the type of weights and measures they want.

We were told in the debate which took place in 1975-76 that weights and measures for the grain industry were to be changed so as not to cause an extra conversion and in order to avoid mistakes. That was the argument made to us. That is why they wanted to buy grain at the elevators under the metric weights and measures system.

What did we find when we got to the committee? We found that farmers were going to deliver their grain to the elevator where it would be measured under the metric system. It would go through the entire elevator system by the tonne. However, and here is the crunch, the minute the grain went to the railroad and was put into the hopper car it reverted back to the hundred weight. This is what has turned so many people off the metric system, and that error has never been corrected. This posture seems to have been lost in the shuffle and the flurry of executive action which has followed. The system is only voluntary in the old army sense; you have no choice but to volunteer.

Emphasis must be placed on the fact that this system has to be adopted on a voluntary basis. The government and the Metric Commission have demonstrated that they are unaware of the rights and the opinions of the people of Canada. The metric program is losing its credibility because it marches to the tune of a different drummer; it chooses to ignore the rising opposition to metric at home, in the United States and in the United Kingdom.

Today my colleague mentioned the rising opposition in Japan to the metric system there. If this were a universal system it would be different. I have debated this issue with some of those who say we should be selling our grain by the tonne, as is the case all over the world. I have said that it causes problems for the farmers because it used to be that when a farmer sold a carload of grain the weight would have four figures ahead of the decimal, and one following. That measurement was in an easy form for calculation, because the four figures before the decimal were bushels and the one after was one-tenth of a bushel. If the figure was .4, in the case of wheat with 60 pounds to the bushel, that meant four tenths of a bushel, or 24 pounds. That was easy to calculate. Now there are two figures ahead of the decimal and three after, and the three after have to be placed over 2,204 pounds because that is what we have in a tonne. Could any person on the other side of the House calculate that in his head without a calculator or a pencil? I would like to see someone do it. This government has taken away a simple system that worked, and has given us a complicated system that does not work.

This is the point I want to make, Mr. Speaker. The individual I was talking with said we should be selling our grain by the tonne because in Holland, where he was from, they used the tonne. I explained to him the complications this created for the farmers in this country with the three figures after the decimal point having to be placed over 2,204 pounds. He said no, it would be 2,000 pounds. I said that it was 2,204 pounds, that being the tonne we have to deal with. He said that a tonne in Holland was 2,000 pounds. Therefore, anyone who suggests that this is a universal system should take another look at it.

The initial work and planning of the Metric Commission was done in a vacuum, independent of what the people required. What the Metric Commission failed to do was recognize the fact that the United States is not going metric very quickly. Certainly some countries have done so, but the U.S. grassroots have not done so.

When people from the United States come across the border to buy cattle at our auctions they want to know how many pounds an animal has gained per day since birth. They do not want anything to do with kilos. They want to know how that animal has gained in pounds, and that is what affects the price. This is why the auction marts all across western Canada are opposed to this system and what the government has done. I just wish we could have had some members opposite come out west to meet with some of those people who have to spend thousands of dollars they do not have in order to change their scales, when they see no need for it. As I said earlier, if this were a requirement and it provided a benefit, that would be all right, but no one up to the present time has proven that this is a requirement in order to continue in business.

Even leading members of the two United States metric bodies now see a change taking place in the United States. They suggest that this conversion will take anywhere from seven to 20 years; however, the average citizen in the United States says it will never take place.

We have a classic case of Canada being all alone out in left field; everybody else is out of step except our son Johnnie. In the area of 70 per cent of our trade is with the United States, and it is folly to attempt to trade with our major trading partner using a foreign and unfamiliar system of weights and measures. That was the reason given to us for changing to the metric system, in order that we could trade with foreign countries. We now find ourselves using this unfamiliar system in trade with our major trading partner. As one of the metric commissioners said, we are ten years out of step with them. It is utter folly for Canada to allow that kind of situation to develop. The United States is by far our most important trading partner, in every respect, and it behooves us, as a matter of common sense, to bring our metric posture into line with that of the United States.

The North American economy is so interlocked, with products, factories, corporations, equipment, communications, information systems, advanced technology, research and development, measurements and statistics, that any basic move to use a different system out of step is incomprehensible. I fail to see any great advantage in converting to the metric system with such undue haste. We must plan any change in concert with our neighbour and trading partner. If we fail to do so we will disrupt traditional trading patterns and cause turmoil in

the marketplace. The net effect is that we could end up losing business, and this, coupled with the high cost of purchasing new calibrating equipment, could be a crippling blow to many small businesses.

People have told me that if they are forced to go to the metric system of weights and measures they will go out of business. They have a hard time just keeping their bank accounts in the black, and if they are forced to accept this they will be going into the red. The very great costs of converting to metric have to be retrieved from somewhere, and guess who pays in the long run—the customer will be the fall guy. Additional costs will be passed on to him in the form of higher prices.

• (1640)

Are there any benefits to be derived in our trading markets by going metric? Outside of the United States, the European Economic Community common markets and the remaining OECD markets, all the rest of the world represent 5 per cent of our finished goods exports. What is the wisdom in neglecting and slighting 95 per cent of our trade to concentrate on 5 per cent? Even if there were some benefits to be gained by going metric for trade purposes, is this cause enough to force an entire nation to change its established and known weights and measures? The response is strong to overwhelming to return to the use entirely of imperial standard measures.

In Peterborough the metric people came face to face with civil disobedience to the metric program, and they backed off. The Metric Commission had the power to back up the mandatory metric system with the use of penalties for failure to comply with the law. But, is it the law? Has the principle of the metric program been given a proper airing in Parliament? I think not. Why did the government choose to bypass Parliament and resort to order in council to achieve its aims? Why is it plowing relentlessly on in a collision course with the people and with public opinion? Why does it not mark time and reassess the damage it is doing to commerce within Canada and outside our borders with our trading partners?

It is not a sign of weakness to admit that you are wrong. Indeed, it is a sign of strength to recognize when you are in error and move to correct an obvious mistake. If more people would recognize error and move quickly to rectify it, there would be less bickering and chaos in our public life.

The Weights and Measures Act of 1971 prescribed the punishment for every person who contravenes any provision of the act or its related regulations. Contravention of the act provides for a fine not exceeding $1,000. Weights and measures inspectors actually attempted to enforce this statute, and only a public outcry caused a temporary halt to enforcement in Peterborough. But the regulation is still on the books. Surely we cannot call a program voluntary when it is backed up by fines of up to $1,000 to make it voluntary.

I want you, Mr. Speaker, to pay special attention to the problems of the many Canadians who are opposed to further implementation of metric weights and measures at this time. I hope that the House will pass this motion proposed by the hon. member for Hamilton-Wentworth.

Some hon. Members: Hear, hear!

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, I want to speak on this motion because I think it is imperative that we take a very positive position on metrication. Reference has been made to the fact that other nations are not going ahead as fast as Canada. I think it would be only fitting if I read a statement from President Carter, contained in the U.S. Metric Board 1979 Annual Report. He said:

> With all the other industrialized nations of the world already using the metric system—or soon to complete their conversion to metrics—we will find ourselves at a serious disadvantage in selling products to other countries if we do not make progress in our own conversion.

At the movies in the United States or Canada, Mr. Speaker, the films are 35 millimetre. Major United States tire manufacturers back in the 1960s started labelling tires for United States made cars in metric. New United States steel companies on the south shore of Lake Michigan are controlled by metric instrument. Since 1975 some of the United States oil companies have been installing instruments which provide metric readings. Service station outlets are converting as fast as pumps are available to them. Metrication has been taught in the United States school system for more than a decade. So the United States is proceeding, Mr. Speaker, and I think it is wrong if we Canadians stand still.

At the present time the European Economic Community requires that metric conversion information be included on all non-metric products imported into member countries. Some United States tractor companies have already started making machinery to metric specification. The St. Lawrence Seaway, which was completed in 1959, prefers the metric measure. Channel markers are metric, cargo is in metric tons, and tolls are assessed in metric weights. Even the length of ships is calculated in meters. The U.S. conversion to metric is further along than many members realize.

I realize that some people who did not take metric in school will have difficulty in converting and I sympathize with them, but the metric system has been taught in our schools for several years. Even our highways are marked in metric.

As a farmer, perhaps I must make more conversions than the average citizen. At a recent commodity board meeting of producers in Ontario the vote was three to one to proceed with implementation of the metric system. We have a new generation of farmers, Mr. Speaker, in my operation, and I am very pleased that my son who graduated from university was schooled in the metric system. Like the hon. member for Red Deer (Mr. Towers), when I go to the fields I must admit that I still have to make conversions. For example, if I need to plant 120 pounds of seed per acre, I now plant 135 kilograms per hectare. It is very simple. If we use 400 pounds of fertilizer per acre we now use 444 kilograms per hectare.

An hon. Member: Can you say that without reading it?

Mr. Ferguson: If a field was 50 acres it is now approximately 20 hectares. If we used ten pounds of insecticide per acre now it is 11 kilograms per hectare. A steer that used to be marketed at 1,200 pounds is now 545 kilograms.

Perhaps some livestock producers and buyers need more time to adapt and this may be where the problem is. A buyer goes into the sales ring to bid on a steer at 78 cents per pound and buys it for $936. In metric, 78 cents per pound would be $1.71 per kilogram but the net proceed to the producer is still $936. I believe it is just a matter of time until we adapt and are able to keep abreast of other countries in the world. Perhaps this is one sector of the agricultural industry where patience is needed. Approximately 75 per cent of the agricultural community is already converted to metric. It is wrong to imply that it should be delayed until the rest catch up.

A shift to the voluntary metric conversion process is required. I would draw the attention of the House to the fact that conversion to metric is already a voluntary process. Of the 100 sectors only three—gasoline sales by the litre, home furnishings, and retail food scales—are subject to regulation under the Weights and Measures Act of 1971. Only those three are subject to the regulations, so we are in a voluntary process of conversion. In all three of these cases the relevant regulations have been requested from the Department of Consumer and Corporate Affairs by the industries concerned, with the support of the Consumer's Association of Canada.

Some hon. Members: Hear, hear!

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my intervention will not be long. There are a few things that I think we ought to bear in mind in this debate on the motion brought forward by the hon. member for Hamilton-Wentworth (Mr. Scott). I was rather staggered to learn here today about the system international which was decided upon apparently as the system which should be used in Canada for the conversion, and to learn in particular that it was applicable only in Australia, New Zealand and South Africa.

● (1650)

I have had representations made to me about the standards, particularly from the mechanical industries. These pertained to gauges of screws and bolts and the incline of the threads on bolts. There is no universal standard for these particular parts in the mechanical field so that if one were to take a bolt say, from one of the cars imported from Japan, and tried to use it on a nut that had been produced here, both metric size, they probably would not fit because the inclines of the plane of the threads were not identical. There is no standard bolt threading of gauge in metric at the present time. Until those standards are approved, I think it is folly to proceed further.

My second observation has to do with the selling of products by dozens. I do not know how many hon. members have noticed, but when one goes to buy flowers, they are not sold in dozens any more. They are sold by dizaines. The price is the same but there are only ten in a bunch. Those are called dizaines. It is the same for eggs.

[*Translation*]

An hon. Member: Dizaine!

Mr. Munro (Esquimalt-Saanich): No, dizaine, douzaine, there are douzaines and dizaines but the price remains the same.

[*English*]

The price remains the same, and this I suggest is one of the influences causing inflation. Had it been the other way and we get 13, I wonder what a baker's dizaine would be. Would it be 11? It could be.

My third comment has to do with this nonsense about voluntarism, or voluntary as in the army voluntary. Actually people have been misusing a term in this House, and I would like to suggest that where we are at this time on the metric is that we are faced with a Hobson's choice. Hobson's choice is generally interpreted as being either this or that. People talk about Catch 22. I think that is where we run into a little difficulty, when you divert from that, you are faced with another difficulty. But Hobson's choice, as defined in the shorter Oxford dictionary is as follows:

—the option of taking the one thing offered or nothing.

It is derived I suppose from what Hobson did. He was an ostler who rented horses in Cambridge. When a person went to rent a horse from him he would say, "There is your horse. The first horse inside the stable." That was Mr. Hobson, and that is your choice. This is the choice we have with metric. I see the first actual reference was 1660 when Hobson's choice was as follows:

—chuse whether you will have this or none.

There are other references to Hobson's choice. So Hobson's choice is what we have in the metric system today.

I do feel that we should be very careful about using the word voluntary in this connection because here we are confronted with this. I wonder from time to time whether the word imperial as connected with the imperial measure has somebody's back up because the imperial regimes that we knew in the British empire, the French empire and so on have ended. Is it because the word imperial is attached to that expression that it has come to be overturned in the Hobson's choice, and by voluntarism we are now in the thick of it and getting dizaines when we buy flowers instead of dozens.

Mr. Jim Schroder (Guelph): Mr. Speaker, may I take this opportunity on my first speech in the House of Commons to congratulate you and your colleagues in the chair. I hope you will carry my felicitations to Madam Speaker who is such an asset to this august chamber.

I welcome the opportunity to speak to this motion in my maiden speech to the House of Commons as a member of Parliament for the riding of Guelph. The rules governing debate at this time do not permit me to speak about my riding as much as I would like to, but the particular subject at hand is one of vital interest to my constituency. My area is heavily populated with small and large businesses that are very much affected by regulations pertaining to weights and measures. The consumer is also very much affected. The Government of Canada has never maintained that conversion to metrication would be a simple matter. Industry in general concedes that

the project, having progressed to the present stage, should be maintained. The consumer has seen the effects of metrication appearing around us day by day, for instance, the road signs, the weather reports, and some consumer products.

Representing a riding having a large number of persons born outside of Canada brings me in contact with perhaps a degree of metric acceptance that is not present in some locations.

The Canadian General Electric plant in Guelph, I am told, uses the metric system completely and it owes many of its invasions into the world of commerce to that fact. One of our large freezer plants in the city of Guelph, the Woods Company, owes a lot of its invasion into the export market because they too are completely metric.

When I was listening to my opponents on the other side I had a feeling that I was in the past. I felt somewhat like Edison when people wanted to keep the candle and he wanted to bring on electricity. I felt somewhat like Henry Ford when he was trying to produce the motor car, and I also felt somewhat like Orville Wright when people were standing around telling him that his machine would not fly.

With respect to the definition of the voluntary system, I think their definition is to be able to volunteer not to be able to do something. The voluntary system that we want to see is the voluntary system to do something which we have all agreed upon, but to be able to do it gradually and in consultation. I believe that is the system that we have been trying to put in place.

The first aim was to introduce the metric system and to interpret it in relation to terms that are relevant to daily living. But the older measurements will be with us for a long time to come and, of course, it will be of some inconvenience to make these conversions. I do not want to sound like a put down to those people who will have difficulty making those conversions. But where there is a will, there is a way.

I have been making conversions for some years. Most of the international scientific world deals with the metric system. As the world becomes smaller, we must be able to communicate in a universal language. About 90 per cent of the people in the world use metric measurements for everyday purposes. So it makes sense in the interests of uniformity that Canada should adopt metric measurements.

I am not one of those metricators who is filled with evangelic zeal nor, I hope, are my honourable opponents ferocious anti-metricants, but I am sure that we are all trying to attain the same results. I have said that the hon. member opposite and I have different ideas about the voluntary system and I will not go into details about that again.

For eight years now people have been asking why are we going metric? The simplest answer is that it makes a lot of sense. Every nation in the world—with the exception of some so small that they are not really significant in terms of international trade—is on the metric system or is committed to converting to it. In spite of what hon. members on the other side of the House say, it is simpler. There are seven base units of measurement in the metric system. With the old imperial system there are 53.

In the United Kingdom some of these imperial units, such as the furlong and the bushel, are no longer legal. The situation in Britain regarding the use of metric measurement has been the subject of a lot of speculation.

• (1700)

Mr. Deputy Speaker: Order. I wonder if the House would excuse me if I recognized my mother, who is 91 years old today, and is in the gallery.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

[*Translation*]

It being five o'clock, this House stands adjourned until Tuesday next at two o'clock pursuant to Standing Order 2(3).

At 5.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 20, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SHIPPING

WATERBORNE MOVEMENT OF ENERGY AND OTHER CANADIAN PRODUCTS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, the urgency of my rising under Standing Order 43 arises directly from the critical stage of present negotiations between the Government of Canada and the governments of Mexico and Japan.

Given the potential of millions of dollars accruing to Canadian interests and the creation of hundreds of new jobs for Canadian seamen which could flow from matters under discussion with Mexico for the movement of oil, and Japan with respect to new coal movements, and recognizing the need for Canada to continue to move toward the objectives of the UNCTAD 40-40-20 arrangements for the seaborne movement of goods, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House urgently asks the government to express in these discussions going on the Canadian desirability of moving toward the UNCTAD formula in all waterborne movement of these energy resources and other Canadian goods.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

MEASURES TO HELP FARMERS IF DROUGHT OCCURS—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the western provinces have had no significant precipitation for over two months, during which time temperatures have been above normal, and in view of the fact that the long-range forecast is for the continuation of dry and hot weather, and also in view of the fact that these conditions have led to shortages of water, extremely poor crop germination and no pasturage for grazing animals, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the federal government move immediately to assist to help co-ordinate, through the use of such federal agencies as the PFRA, the activities of the various levels of government that are now under way in the western provinces which are designed to make maximum use of whatever water, feed and pastures that are still available.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

INTERNATIONAL DEVELOPMENT—CONSIDERATION OF BRANDT COMMISSION PROPOSALS—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter which truly is of urgent and pressing necessity, not only for Canada but for the world as a whole.

In view of the emergency recommendations in the just published report of the Brandt Commission on International Development Issues, entitled "North-South, a Programme for Survival", and considering the fast approach of the United Nations special assembly on this subject, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House give the highest priority to convening, at the earliest opportunity, a special debate on the Brandt report proposals, so that the Canadian people can be made more aware of the problems addressed so eloquently by the report, and so that the Canadian government can make a strong and enlightened response to the report's emergency program within the councils of the world.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

NATIONAL UNITY

PENTICTON, B.C.—COMMUNICATION FROM 1980 GRADUATING CLASS—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise, under the provisions of Standing Order 43, requesting the unanimous support of this House.

Having received a communication from the 1980 graduating class of Penticton secondary school, in the Okanagan Valley of British Columbia, over the signatures of 570 students expressing their deep concern about Canada's future as a nation of united people, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House join unanimously in the words that these young people have composed with great feeling and patriotic emotion, and that the House of Commons pledge with them to commit itself, with the help of our fellow Canadians, to working toward making Canada a nation of united people.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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● (1410)

SOCIAL SECURITY

PORTABILITY OF PENSIONS AND OTHER BENEFITS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I would move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the Government of Canada establish as quickly as possible social security agreements with other countries in order to ensure the portability of pensions and other benefits and in order to ensure that all Canadians, of whatever origin, may travel to and from their country of origin without suffering further financial penalty.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ENVIRONMENTAL AFFAIRS

ACID RAIN—TERMS OF AGREEMENT WITH UNITED STATES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise, under the provisions of Standing Order 43, to request the unanimous consent of the House to the following resolution.

In view of the plans of the Minister of the Environment to conclude a bilateral agreement on the acid rain problem, and because of the double threat posed to Canadian waters by increased tanker traffic on the west coast and the possibility of LNG tankers plying Canadian waters in the Arctic, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House instruct the Minister of the Environment to include in the bilateral agreement he plans to conclude with the U.S. on acid rain, a compulsory bonding system covering vessels entering our waters so that injured parties will have ready access to compensation commensurate with the damage which could occur from oil spills and LNG accidents.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REUNIFICATION OF FAMILIES—CASE OF LEV OVSISHCHER—MOTION UNDER S.O. 43

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing and urgent necessity. I hope my proposed motion will receive the unanimous support of the House.

I would move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House strongly urge the Soviet government to fulfil its undertakings in regard to the provisions of the Helsinki Final Act, specifically those calling for the reunification of families, and to allow the Jewish refusenik, Lev Ovsishcher, to emigrate to Israel.

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

Some hon. Members: Agreed.

Motion agreed to.

NATIONAL FILM BOARD

CAPTIONING CENTRE FOR TELEVISION PROGRAMS—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): I, too, rise under the provisions of Standing Order 43, Madam Speaker, on a matter of urgent and pressing necessity.

I would move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the government grant approval to the proposal of the Department of National Health and Welfare to set up a captioning centre for Canadian television programs under the National Film Board so that the centre could be in operation by 1981, in time for the International Year of the Disabled People.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

POSSIBLE TWINNING OF EASTERN AND WESTERN MEMBERS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, under the provisions of Standing Order 43 I rise to move a motion.

In view of the fact that it appears to be official government policy to speak of double-tracking, double-talking, double-crossing and, now, twinning eastern members of Parliament with Alberta MPs, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

That this House form a special select committee to study all aspects of pairing, twinning, cloning, bundling, mating and wooing, and that the committee be named the Grit government retreads in training.

Some hon. Members: Oh, oh!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

INDUSTRY

CHRYSLER CANADA—CONDITIONS OF LOAN AGREEMENT—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise, under the provisions of Standing Order 43, to move that: whereas Chrysler in the United States has provided purchase rebates for consumers, and whereas Chrysler in Canada is not providing the same benefit for Canadians, and they are currently using secret warranties in this country and have one of the poorest records of consumer service, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the conditions of agreeing to the loan to Chrysler must provide the same conditions of warranty, recall and repair as they provide to U.S. consumers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

LIKELIHOOD OF DISRUPTION IN MAIL SERVICE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Postmaster General, who we thought would be in the House. In his absence, perhaps I could put it to the Minister of Labour, who I gather is a party in the conversations.

Now that the conciliation board report is public and CUPW has indicated that it regards that report as a basis for avoiding a strike, can the minister and the government assure the House that we can expect no mail disruption this spring?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his question. I wish, indeed, that it were possible in the case of unresolved labour disputes to always give an absolute assurance that there would be no disruption. Unfortunately, that cannot be done until negotiations are completed and an agreement achieved.

I can say that the Postmaster General has indicated that he is optimistic about the possibility of a settlement, and that he is hoping to meet, along with certain officials, representatives of the union this afternoon for discussions arising out of the conciliation board report. It is expected that the Postmaster General will be in the House tomorrow and in a position to answer queries in relation to today's meeting to the extent that it is possible to comment without endangering the ongoing negotiations.

Mr. Bosley: Madam Speaker, arising out of that answer, since the minister was present at the conversations yesterday, perhaps he could advise what position the government is taking in today's meeting, specifically since there has been at least a publicly reported suggestion that the Minister of Labour is contemplating back-to-work legislation. Can the minister advise whether the government has decided to accept the conciliation board report or to fight it?

Mr. Regan: In relation to the supplementary question. Madam Speaker, I think that, consistent with the best prac-

tices in labour relations, the answer I would want to give to the hon. gentleman, through you, would be that the position taken by the government is constructive, hopeful and responsible.

Mr. Bosley: Madam Speaker, perhaps it would be out of order to comment at the time whether that is a new position for the government.

My final supplementary question relates to the previous postmaster general's commitment to bring in a bill to turn the Post Office into a Crown corporation this spring, a commitment which everybody believes will go a long way toward resolving underlying labour problems in this area. Can the minister assure the House that we can expect to see such a bill this spring, and is that part of the conversation at today's meeting?

Mr. Regan: Again I thank the hon. member. I cannot say whether the question of the establishment of a Crown corporation is part of the negotiations that are going on this afternoon: only the Postmaster General would be able to report after the fact on what is being considered at that moment in time. But I can assure the hon. member that preparations for legislation in relation to establishing the Post Office as a Crown corporation are going forward and that, indeed, negotiations are under way with various groups to soften the impact of the dislocation involved in such a change, including the union groups, in totally separate committee negotiations that are going on and involving my department as well as that of the Postmaster General at present.

* * *

● (1420)

NORTHERN AFFAIRS

OIL EXPLORATION IN BEAUFORT SEA—DANGER OF SPILLS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development. On the weekend, the director of environmental affairs for Petro-Canada confirmed the criticism of the Arctic Waters Advisory Committee that the federal government has failed to develop adequate plans or technology to prevent and cope with an oil spill in the Beaufort Sea. This is a matter I raised last week with the Prime Minister.

Considering that this person from Petro-Canada, and also a spokesperson for the advisory committee who helped draft the report confirmed its accuracy on the weekend, I should like to ask the minister if he could tell us why his government has given approval for drilling to proceed at this time in the light of such information?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would advise the hon. Leader of the New Democratic Party, first, that the report of the advisory committee was considered by cabinet. The report the hon. member is referring to now, and was referred to when I was in the eastern Arctic last week, is a report of one member who was party to the committee.

Somehow that report was, I guess, leaked; I do not know, and I really do not particularly care, other than to assure the hon. member that the report of the advisory committee itself was thoroughly reviewed by the officials of my department, the interdepartmental committee that judges these matters and by myself. It was taken to cabinet by myself for review. I might say that all the reviews taken with respect to the report of the advisory committee were such as to assure me, and I am thoroughly satisfied that no undue risks are being taken with respect to the program we announced for this ensuing season.

Mr. Broadbent: Madam Speaker, all members of Parliament received today in the mail an expensive, 44-page brochure called "Under the Beaufort". There are a number of errors in it, two of them very serious in their implications. At one point, the brochure indicates the following:

—there is a complex contingency plan ready to meet the danger and to clean up any oil spill.

That is what the brochure which has been put out by the government indicates; but the report of the advisory committee to which the minister has just referred indicates just the opposite, that there is no such contingency plan. That is one contradiction I should like the minister to clear up. Another one is that in the brochure it is indicated that there were only two fuel spills last year during the drilling. The report of the advisory committee, which the minister has said he looked at with care, indicates that there were no fewer than 22 spills.

Considering that these alleged facts contradict each other—and I, for one, am inclined to accept the report of the advisory committee that there have been more spills than we are now being told, and that there is no contingency plan—would the minister please explain to the House this very serious contradiction?

Mr. Munro (Hamilton East): Madam Speaker, I would also advise the hon. member that I raised this question. I think the number of spills referred to by the hon. member and those referred to in the report are exaggerated. I am told and advised that there were no serious spills which caused any great damage or concern in the previous season.

The technology has advanced considerably since that time. There are safeguards now with respect to relief-well drilling for this season—technology of the kind that has improved over last year, so that if there was some risk taken last year with respect to the policy, there is even less risk this year as a result of that improved technology. Also, as I understand it, some assurance was given that I would be before the standing committee later this week—I think it is Thursday night—and I would be prepared to go into the matter more fully at that time.

● (1425)

Mr. Broadbent: Madam Speaker, I listened with care to the minister's answer, and at no point did he say that the government has ready a contingency plan that would cope with a

spill. This is an extremely serious matter, given the precarious nature of the environment of the north.

I would like to ask the minister, considering that there is no contingency plan, whether he will now take steps to postpone the drilling until such a plan is developed, and withdraw from circulation this extremely misleading brochure.

Mr. Munro (Hamilton East): Madam Speaker, I do not think there would be much point in withdrawing the brochure, because it has been so widely disseminated already. May I just tell the hon. member I have been assured that the risks are so minimal, as a result of the safeguards built in for this year, and even so minimal based on what was the technology in previous years, that I feel it is safe to proceed. I do not feel I would be warranted in withdrawing the order, in terms of what is required to be done.

* * *

ENERGY

GOVERNMENT PLANS TO MEET COST OF IMPORTED OIL

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance, and it deals with the cost of imported oil. The cost of imported oil landed at Montreal has been averaging $35 a barrel in recent weeks. This cost is now going up $2 a barrel as Saudi Arabia is raising its price $2 a barrel. At the time of the budget of December 11, the cost was $25.75 a barrel. The minister told us some weeks ago that the oil import compensation subsidy was going to go to $3.1 billion.

Will the minister tell the House how he plans to meet the payments on this increased cost of the subsidy? Is he going to face the problem, or is he just going to allow the deficit to increase beyond the $14 billion mark? If he intends to do this by increased borrowing, will he assure the House that he is not going to have problems, in view of the tremendous rate of redemption of Canada Savings Bonds to the extent of $1.1 billion since April 1? How is he going to deal with this increased compensation problem?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in connection with the borrowing that may be required by the Government of Canada, it is my information that the borrowing that will be needed can be handled. Certainly, it is not my intention—as I indicated on April 21—to allow the deficit to run out of control, and when a budget is brought in—

Some hon. Members: Oh, oh!

An hon. Member: It is out of control now.

Mr. MacEachen: When a budget is brought in, the hon. member will have in detail the over-all picture, including expenditure and possible tax measures.

Mr. Crosbie: Madam Speaker, the hon. minister is surely the modern-day Sam Slick, because he has told us nothing. He did say, "when the budget was to be brought in".

An hon. Member: Give us a date.

Mr. Crosbie: The minister has told the newspapers, and those are the only people he tells anything to, that:

"A budget could collapse and be highly embarrassing if no agreement was in place", MacEachen said—

Excuse me using your name, hon. gentleman.

Some hon. Members: Oh, oh!

Mr. Crosbie: The news item goes on to say:

—predicting there would be no new budget until the fall.

Is it now the minister's plan to have a new budget only this fall, and will the minister have a new budget at all if there is no oil pricing agreement?

Mr. MacEachen: Madam Speaker, it is my intention to have a budget. I hope it will be possible to bring it in before the fall, but the fall is certainly a possibility, as the hon. member knows.

Some hon. Members: No.

Mr. Crosbie: Madam Speaker, this is the first firm piece of news the minister has given this House since we opened, that there will be a fall this fall.

Some hon. Members: Oh, oh!

Mr. Crosbie: We had a fall last fall.

Some hon. Members: Oh, oh!

Mr. Crosbie: In last fall's fall budget there was a special energy tax on the oil and gas industry, the proceeds of which were to be devoted exclusively to energy projects. Will the minister tell us, if there is a special tax on the oil and gas industry this year, in his new budget in the fall, or whenever the fall falls on, will the proceeds of that special tax be devoted exclusively to energy projects and to nothing else?

• (1430)

Mr. MacEachen: Madam Speaker, I thank the hon. member for giving me his assistance in the preparation of the budget, which will be arduous and which, I trust, will not result in the ignominious fate that surrounded his budget. Nevertheless, I thank the hon. member for his suggestion and ask him to restrain himself and be patient until the budget is brought forth. Then all these matters will be revealed and the universe will unfold as it should.

An hon. Member: That is an ominous prospect.

Some hon. Members: Hear, hear!

Oral Questions

EXTERNAL AFFAIRS

STATUS OF ENERGY AGREEMENT BETWEEN CANADA AND MEXICO

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Secretary of State for External Affairs. In arrangements that had been made both by the previous Liberal government and by the Conservative government concerning Mexican President Portillo's visit to Canada next week, the highlight of that visit was to have been the signing of an energy agreement between Canada and Mexico to provide for the importation of up to 100,000 barrels of oil a day into Canada.

We now find that this agreement has been cast into doubt. Would the minister tell the House what has transpired over the last few weeks to threaten the successful conclusion of this very important treaty?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I would not say that there is any threat to the treaty. Over the last several weeks the Mexican government has been evolving its policy with respect to a number of countries—including Japan, Canada and the European countries—with respect to petroleum agreements. They have asked for some changes in the prospective agreement. We are discussing those changes with them this week. At the moment, it does not appear to be a matter of substance but, rather, a matter of wording. We want to discuss those changes with the Mexican authorities before we make any further comment.

Miss MacDonald: Madam Speaker, if these changes are not a matter of substance, will the minister then give his clear assurance that the agreement will be signed when President Portillo visits Canada next week to ensure that up to 100,000 barrels of oil will be available to Canada beginning later this year? Will the minister give us that assurance, that that is the agreement which will be signed?

Will he at the same time give the further assurance, perhaps, to President Portillo that no untoward events will happen to him following his visit to Canada, since Secretary Vance went home to resign after visiting, the minister, and since Prime Minister Ohira went home to defeat after his visit with the minister? I ask the minister not to make it three disasters in a row.

Mr. Chénier: You were the first.

Mr. MacGuigan: Madam Speaker, I believe that we will have an agreement with Mexico. As to the substance of the agreement and whether or not an actual signing will take place during the president's visit next week, I am not in a position to say at the moment.

SHIPPING

ENERGY—CARRIAGE BY CANADIAN SHIPS CREWED BY CANADIANS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I ask the Secretary of State for External Affairs whether or not in that agreement or, in fact, in any of the negotiations with Japan, the Government of Canada put forward the position that some of this energy resource should be carried by Canadian ships crewed by Canadians?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the matter of transportation is not one which is covered by the agreement. I am not aware of any discussions on that subject which have been held with the Mexican authorities.

* * *

AGRICULTURE

INCREASES IN PRICE OF BREAD—CALL FOR INVESTIGATION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I have a question for the Minister of Agriculture on a matter of importance to all people of Canada. Is the minister aware that there have been two increases in the price of bread since the beginning of the year, without a corresponding increase in the price of wheat? The third increase is planned when the government adjusts the price of wheat.

Since this third increase is already being planned at a much higher rate than the amount of wheat in a loaf of bread would justify, would the minister undertake to investigate the increases in bread prices in 1980, and roll back those that prove to be unjustified?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure that the hon. member knows that a new price reporting system for food prices is being implemented. The index is what the producer actually receives and what the consumer pays for that commodity. We will investigate this matter further. I would just point out that the food price index shows a very moderate increase in the price of food for the last month.

Mr. Hovdebo: Madam Speaker, given that the price of a standard loaf of bread has increased from a minimum of 38 cents per loaf to a minimum of 52 cents per loaf in 18 months—which is somewhat more than a modest increase—will the government give the consumers of this nation an undertaking that bread prices will be stabilized by intense government effort to prevent price gouging by the processors in any future increase in the price of wheat to farmers?

Mr. Whelan: Madam Speaker, what I meant by a moderate or modest increase is that, for example, last month the increase was .3 per cent and for the previous month it was .9 per cent, which is not quite 1 per cent. The increase was one of the lowest which we have had. The report which I have on my desk

at the moment shows that the main cause for an increase in the cost of a loaf of bread is due to transportation costs, energy costs and those types of costs, not due to the basic product called wheat.

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EXTERNAL AFFAIRS

OIL—VOLUME OF IMPORTS FROM MEXICO

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I direct my question to the Secretary of State for External Affairs. In early February of this year, Agustin Barrios Gomez, the Mexican ambassador to Canada, stated that Mexico will begin shipping 50,000 barrels of crude oil a day to Canada in October, and that the deliveries will be increased to 100,000 barrels a day in 1981.

Would the minister tell the House if that commitment still stands, and will it be part of the agreement which is to be signed with the President of Mexico?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as far as I know that is still the commitment of Mexico, but that was never intended to be part of the agreement as such. I do not believe that those words will be written into the agreement. They were not in the previous agreement which was signed, and I do not think it is proposed that they should be in this agreement.

Mr. Hnatyshyn: Madam Speaker, if the minister will take the time to read the interim agreement, he will see that there was a firm commitment with respect to a minimum delivery from Mexico to Canada for this year, and that subsequently it was to be increased to 100,000 barrels a day in 1981. Nothing could be simpler.

Would the minister tell the House whether that will be part of the agreement, whether there will be a deviation or whether anything has occurred within the last few weeks to change that firm commitment contained in the interim agreement?

Mr. MacGuigan: Madam Speaker, we are not proposing any changes in the agreement at all, but there is no schedule of deliveries in the agreement as such. There has been talk of goals, but there has been no promise that there will be so much oil delivered on a particular date. We are not proposing that there should be any changes made in the agreement.

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FINANCE

MEASURES TO STRENGTHEN DOLLAR AND LOWER INTEREST RATES

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Minister of Finance. Most financial analysts are of the opinion that interest rates would have dropped last week but for the intervention of the Bank of Canada which felt it necessary to prop up the wobbly Canadian dollar since the minister's micro-budget, which he was able to smuggle into the House, had only a microscopic effect on the Canadian dollar.

When can we expect some meaningful action from the government which would provide strength to the Canadian dollar and allow the interest rate to come down, which would benefit the home owner, the farmer, the businessman and the unemployed, rather than allowing the Bank of Canada to do the unpleasant work for the government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member know, interest rates have been coming down relatively rapidly. Indeed, the bank rate came down further last Thursday. However, as the governor of the Bank of Canada stated, they had acted to restrain and moderate that change for a number of reasons, but particularly because of the possibility that these further lower rates may not be sustainable in the long run.

Mr. Korchinski: Madam Speaker, is it the government's policy to maintain high interest rates, and does the support of the Canadian dollar take precedence over a lower interest rate policy which is necessary for an improved economic condition in Canada?

Mr. MacEachen: Madam Speaker, as the hon. member also knows, the governor of the Bank of Canada has managed monetary policy in a way that there has been a significant drop in interest rates and relative stability in the Canadian dollar. I believe the governor deserves a good deal of credit for that combined result.

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● (1440)

INDUSTRY

DUTY REMISSION ON IMPORTED SAIL-BOATS—EFFECT ON SAIL-BOAT INDUSTRY

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. Is the minister under renewed pressure from a major boat builder to have the Minister of Finance provide duty remission on sail-boats over 25 feet coming into Canada? If so, what is he prepared to do in this regard?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have received representations on this matter and I am discussing them with the Minister of Finance.

Mr. McDermid: Madam Speaker, is the minister making representations to the Minister of Finance on behalf of the 11 small and medium-sized sail-boat builders who say that if duty remission is granted by this government, it will destroy the sail boat industry in Canada?

Mr. Gray: Madam Speaker, I am particularly sensitive to the concerns of small and medium-sized business in Canada. I

will be discussing the matter with the Minister of Finance in this context.

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CANADA LABOUR CODE

HEALTH AND SAFETY LEGISLATION FOR URANIUM MINERS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question today is to the Minister of Labour. In view of the fact that uranium miners in Elliot Lake and elsewhere are not given adequate protection under either part 4 of the Canada Labour Code or the new draft federal health and safety legislation—an opinion apparently shared by the Minister of State for Mines—and considering that the legislation now being drafted is admittedly based on Ontario's bill C-70, and that the Ontario legislation was largely based upon input from and concerns relating to uranium miners specifically at Elliot Lake—the very group now excluded from protection along with other miners in the uranium industry—will the minister of Labour now give a commitment to the House that he will either turn the jurisdiction of this area over to the provinces, or guarantee that his new federal legislation will offer at least equal protection to uranium miners as that provided by bill C-70 in Ontario with respect to the right to refuse unsafe work, submission to monthly inspections, worker appeal procedures and union escorts for inspectors?

In addition, just when can we expect to see this vital legislation introduced?

Hon. Gerald Regan (Minister of Labour): I thank the hon. member for the question, Madam Speaker. May I say to the hon. member that we have set a time period in which to achieve regulations that would incorporate all the provisions of the Ontario bill C-70, and if that does not work out to be satisfactory, then at that moment in time we will take other action.

At the present time, and under the present laws, people working under federal jurisdiction can refuse work because of unsafe conditions; but the present situation in relation to the uranium miners, as the hon. member mentioned, is that they are covered by the referencing by the federal government of the previous Ontario act. The new Ontario act that was passed last fall could have been referenced at that moment in time, but it was the request of the trade union that it work with the department to attempt to draft specific federal regulations that would give exactly the same provisions.

There has been some controversy between some union officials and the department as to whether the intervention of the Department of Justice will give the exact result that they want. We are attempting to resolve that matter. But I certainly give the hon. member assurance that we will see to it that the provisions for the safety of uranium miners in Ontario under federal jurisdiction are as high as they would be under provincial jurisdiction, or as high as they are anywhere else in the country under federal jurisdiction.

Mr. Kristiansen: Madam Speaker, I thank the minister for his reply. I am wondering, though, whether he can give us a more firm commitment as to the timespan in which we can expect this legislation to be introduced. I understand that there have been some disagreements as to who was responsible for the so-called dragging of feet. I think that matter has been clarified, at least in the press, and I believe that the minister will now agree with the position of the union on that, that its representatives have not really been responsible for the time lag that has occurred.

I also want to be assured that the minister appreciates that when it comes to the matter of workers—

An hon. Member: Speech.

An hon. Member: Question.

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

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GOVERNMENT ADVERTISING

SAVINGS FROM CENTRALIZED PURCHASING OF ADVERTISING SPACE AND TIME

Hon. Bill Jarvis (Perth): Madam Speaker, my question is to the Minister of State for Multiculturalism who, in addition to his awesome responsibilities, is in charge of government advertising. My question relates to his press release of May 9.

I compliment the minister for his announcement of the continuation of a centralized purchasing agency for government advertising, an initiative of the previous government. The previous government estimated the savings, through the centralization of purchase, to be anywhere from 20 per cent to 40 per cent of the previous budget. Would the minister indicate to the House his target for savings under the centralized purchasing of advertising space and time?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I thank the hon. member for his good words about our plans for advertising in the Government of Canada. I cannot give a hard figure. I suppose the easiest answer would be that we are going to save every dollar we can. But I estimate between $2 million and $4 million. Our officials are more optimistic than that.

Mr. Jarvis: Madam Speaker, I do not want to be too platitudinous, but the previous government estimated savings of something like $15 million and I would encourage the minister to seek that target as a minimum.

Because the minister's press release indicated a fair geographic and linguistic distribution, because the minister is well aware that Toronto and Montreal agencies have had virtually 100 per cent of the advertising pie, and because there is no commitment in this press release, may I ask the minister: what is this government's policy toward the distribution of advertising space and time among those agencies that are not happily

located in either Toronto or Montreal but, indeed, in many other Canadian communities from coast to coast?

Mr. Fleming: Madam Speaker, some agencies must be of a size and competence to deal with national advertising. But we have already begun to do our best to give opportunities to agencies across Canada for them to have access to Government of Canada advertising.

An hon. Member: You have been in the business; you should know.

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AGRICULTURE

CREATION OF MARKETING BOARDS—GOVERNMENT POLICY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, my question is to the Minister of Agriculture. Is it government policy that a commodity group can, by a proper election, vote to create a marketing board?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, if I understood the hon. member's question correctly, the answer is yes.

Mr. Thacker: That being so, Madam Speaker, my supplementary is also to the Minister of Agriculture. Can those same commodity groups vote to withdraw from those same marketing boards?

Mr. Whelan: Madam Speaker, I believe there is provision in most agreements. I believe if they give one year's notice, they can withdraw.

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PUBLIC SERVICE

STATUS OF WOMEN—EQUAL PAY FOR WORK OF EQUAL VALUE

Mr. Rod Murphy (Churchill): Madam Speaker, my question is to the President of the Treasury Board. In light of the fact that investigators for the Canadian Human Rights Commission have found that 3,000 jobs filled mainly by women are almost identical in value to those filled by men in the general services group of the PSAC, and that these people are receiving as much as $1.80 per hour less, is the minister now willing to take the principle of equal pay for work of equal value seriously by acting on the investigators' report, and guarantee that women public servants receive equal pay for work of equal value, and ensure that public employees do not have to drag the federal government before the Human Rights Commission again and again in order to achieve these goals?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, we are aware of approximately six complaints of this kind. I believe one has been settled. The specific case to which the hon. member makes reference is now the subject of discussion between the Treasury Board secretariat and the Human Rights commissioners. We will be discussing what options are available for a proper and satisfactory settlement of the complaint in question.

Mr. Murphy: Madam Speaker, it is nice to hear the minister admit that he is aware of some of the problems within his own federal civil service, but what I am concerned about is that the government is not taking leadership in this matter.

Will the minister admit that the oldest and surest indicator of equality is remuneration for work, and thus will the government begin its campaign for equality by offering leadership? One of the ways of doing this is by making sure that the lowest paid groups in the public service, the clerical component, receive a more equalizing increase than the 5 per cent that has been offered at the present time, an offer which is insulting in that it does not meet the cost of living and does nothing but increase the wage differential between men and women in this country.

● (1450)

Mr. Johnston: Madam Speaker, the hon. member is now on another subject. I would point out that section 11 of the Canadian Human Rights Act establishing that principle in legislation was an initiative of this government in the past, so I do not know what he means by not taking a lead. I would say the government has very much taken the lead.

In so far as the other matter is concerned—that is, the clerical and regulatory group—as the hon. member knows from an answer I gave in this House last week, we hope to bring that particular dispute to a fair and equitable settlement in the relatively near future.

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TRANSPORT

TRUCKING OF GRAIN FROM MANITOBA TO THUNDER BAY—GOVERNMENT POSITION

Hon. Jake Epp (Provencher): Madam Speaker, my question is to the Minister of Transport. Previously, I asked in a motion under Standing Order 43 what the government's position was relative to the trucking of grain from Manitoba to Thunder Bay. What is the government's position as to the trucking of grain, and will it be continued after June 1?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Canadian Wheat Board has informed me that they are monitoring this movement, but at the moment they do not consider the movement to be of sufficient volume to warrant a change in their policy on delivery quotas.

Mr. Epp: Madam Speaker, do I, then, have the assurance from the minister that there will be no change on June 1, 1980?

Mr. Pepin: Not to my knowledge, Madam Speaker, but I will look into it further to make absolutely sure.

Oral Questions

SPORTS

GRANTS TO UNIVERSITIES—FUNDING OF NATIVE ORGANIZATIONS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Paproski: —may I pre-empt my question by thanking everyone in the chamber who was so kind in sending so many wonderful letters while I was incapacitated in the hospital. I have lost my gall bladder, but I have not lost my gall.

Some hon. Members: Hear, hear!

Mr. Paproski: I would like to direct my question to the minister in charge of sport. The Canadian Interuniversity Athletic Union—CIAU—received grants totalling $456,000 for its 1978-79 athletic year. These grants were provided to assist the universities in the Atlantic Intercollegiate Athletic Association, the Canada West Universities Athletic Association, and the Great Plains Athletic Conference, with their intercollegiate sport travel costs.

With the great amount of moneys incremental to the minister's budget through the lottery income, and in view of the fact that universities are planning scholarships and internship programs to keep our athletes in Canada, can the universities expect the $456,000 plus in the coming year?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, in response to the hon. member, I want to say that my first reaction must be of gratitude for the work that he did in the department prior to the time that I had the responsibility to carry on. I think he did a splendid job in the time that he was minister.

Some hon. Members: Hear, hear!

Mr. Regan: I regret that his illness has prevented me from paying that tribute to him in the House prior to now. In relation to the question that he asked, I must say to him that we are concerned about the funding as a result of the unwise decision of the previous government to divest the federal government of the lotteries, but I certainly think that the purpose of support of the universities, the CIAU, is a laudable cause. I expect to speak at their annual meeting in June, in Halifax. I will endeavour to have an answer for the hon. gentleman in relation to the continuation of that support prior to that date.

Mr. Paproski: In the past several years, Fitness and Amateur Sport has contributed significant sums toward the development of sport and recreation leadership among native peoples. Approximately 35 native organizations throughout Canada receive funding—approximately $1.2 million per annum—designed to enhance sport and recreational opportunity. In view of the fact that the minister will now be receiving, again I say, moneys from lotteries, will the Indian Brotherhood be able to receive the $1.2 million per annum.

Mr. Regan: Madam Speaker, in relation to the question of support for native sports, I met with the Indian Brotherhood representatives during their recent visit to Ottawa to discuss the manner in which the support of their athletic and recreational undertakings can be continued or improved. I have further meetings scheduled in that regard. When the level of the support is definitively determined, I will be very happy to report that to the hon. member. May I merely say at this time that I am certainly supportive of that particular objective.

Mr. Jarvis: Especially if they have their conference in Halifax; that will help.

* * *

DISASTERS

FINANCIAL ASSISTANCE FOR DISASTER AREAS

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is to the Minister of Finance, who I believe is responsible for Emergency Planning Canada. Last week, the minister's colleague, the hon. member for Timiskaming, presented a motion under Standing Order 43 which was similar to one presented by my colleague, the hon. member for Erie, on the matter of the availability of funds for disaster areas.

I wish to ask the minister whether he is sympathetic with the problems related to funding in disaster areas, and whether he would consider convening a meeting of his counterparts to take a second look at the present federal-provincial agreement on this matter.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there is a formula in existence at present by which the federal government makes available assistance to provinces which are unable to bear the burden of a disaster. In light of the hon. member's representations, I will be pleased to take a look at the matter.

Mr. Halliday: I appreciate the minister's sympathetic approach to this. May I ask a supplementary? Does the minister condone the raising of revenues by the federal tax on building materials at the expense of those who have suffered immeasurable loss and grief as a result of natural disasters?

Mr. MacEachen: Madam Speaker, I am sure that in certain cases the application of the tax system may have unfortunate effects such as the one he described, but there is not to my knowledge within that system at present a way by which these particular difficulties could be overcome.

* * *

GOVERNMENT ADVERTISING

USE OF WEEKLY AND ETHNIC PRESS

Hon. Bud Cullen (Sarnia): Madam Speaker, my question is supplementary to those asked by the hon. member for Perth

and directed to the Minister of State (Multiculturalism) responsible for communications.

Like the hon. member, I compliment the government on this central agency. One of my concerns is that, given the bigness, there may be a tendency to forget the number of weekly newspapers and the ethnic press. We want some direction from government to that agency that the weekly press and the ethnic press will, in fact, be used better than they have been used in the past. Sometimes they have been ignored.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I very much appreciate the hon. member's question. He can be sure that because of the other hat I wear, the ethnic press will not suffer because of my responsibilities for communications. I also hope that, without in any way doing a disservice to many worth-while press operations, we can improve the system from its operation in the past.

I should add, on the question of weekly newspapers and advertising, I am very concerned, from the information that has come to my attention, that they have not been used sufficiently by the federal government in the past, and I plan to change that.

* * *

NATIONAL SECURITY

COMPLAINTS BY MEMBERS OF SECURITY SERVICE—ALLEGED DISCRIMINATION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, may I ask the Solicitor General why it is that members of the security service, at least here in Ontario, are not permitted to carry hand guns in the ordinary course of their duties? May I ask him how he is reacting to complaints from members in the security service and elsewhere that they are being discriminated against because of their activities in connection with the association of 17 divisions, something that I think his colleague from Notre-Dame-de-Grâce asked him some weeks ago?

Is the minister aware that some members of the force are complaining to their commanding officers that such actions may be in violation of section 382 of the Criminal Code, and also the Public Service Staff Relations Act.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not aware of the complaint that members of the security service are said to have made. I will look into it. As to the carrying of weapons, I will look into that as well. My understanding is that the main function of the security service is intelligence-gathering. Carrying weapons would not be part of intelligence-gathering activities.

Mr. MacKay: Madam Speaker, I will send the minister copies of official correspondence in both these matters, since he has not seen them. I suggest to him that it is very strange, since ordinary, junior members and other sections of the RCMP carry weapons in the course of their duties, and the security service—which operates on a much more senior level

and provides protection when special events take place such as VIP visits, and so on—are not allowed, except under special circumstances, to carry weapons. I hope the minister will look into this.

Mr. Kaplan: Madam Speaker, the question of carrying weapons is not related to the seniority of the officer, but to the function he is carrying out at the time.

* * *

● (1500)

PRIVILEGE

MR. MURPHY—CASH REBATE ON TRUCKS AND CARS

Mr. Rod Murphy (Churchill): Madam Speaker, on Friday last in this House I directed questions to the Minister of Industry, Trade and Commerce (Mr. Gray) with regard to Canadian consumers not receiving a rebate of the same amount as the $200 to $1,000 enjoyed by American consumers of Chrysler products. In my supplementary question, as recorded at page 1152 of *Hansard*, I asked:

> Will the minister get in touch immediately with Chrysler Canada to make sure that we, as Canadian consumers, get just as good a deal from Chrysler, especially since it is getting such a good deal from us?

The minister, in his reply, said this:

> Madam Speaker, I am very glad my hon. friend in the NDP has officially recognized that we have obtained a good deal from Chrysler for Canadian workers and the Canadian people generally. I would like to make sure that is on the record.

Later, as reported on the same page, the minister said:

> As I have said to my hon. friend, I will be very happy to go into the matter he has raised. I must say I was not aware of the details he has provided on this rebate program but it is important that it be confirmed by the NDP that we have obtained a good deal from Chrysler for Canadian workers and the Canadian people.

Madam Speaker, it is not my intention to raise the subject matter again. However, it is my intention to ensure that the minister and all members of this House understand that in no way did I suggest that the Canadian workers and the Canadian people received a good deal. For the record, my remarks indicated the opposite—that it was Chrysler which was getting a very good deal from the people of Canada, and that it had failed to offer the people of Canada the same rebate program as United States consumers are getting. It is Chrysler which is getting the good deal. In no way did I suggest to the House that the people of Canada and the workers of Chrysler are getting a good deal.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): I am glad the hon. member has raised the point, Madam Speaker, because the workers at Chrysler, at their dealers and their supplying firms will be dismayed to hear what he has just said.

Madam Speaker: I gather that the explanation which has just been furnished by the minister will satisfy the hon. member for Churchill (Mr. Murphy). I must tell him, though,

that this is a matter of the hon. member not being satisfied with an answer he has received from a minister and that a question of privilege does not, therefore, arise.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

APPOINTMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER REPORTS OF COMMISSIONER

On the Order: Government Notices of Motions:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider the report of the Commissioner of Official Languages, 1978, tabled Tuesday, February 20, 1979 (Sessional Paper No. 304-1/301) and the report of the Commissioner of Official Languages, 1979, tabled Tuesday, April 22, 1980 (Sessional Paper No. 321-1/301);

That nine members of the House of Commons, to be designated at a later date, be members on the part of this House on the Special Joint Committee;

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

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

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

That the committee be empowered to retain professional, clerical and stenographic help as may be required;

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

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

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 45, 176, 256, 326, 374, 376, 624, 709 and 711.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

LOANS TO CUBA

Question No. 45—**Mr. Cossitt:**

In the past six years, did the government loan funds to Cuba and, if so (a) what was the total amount (b) how many loans were involved (c) what was the interest charged in each case (d) were interest payments received on time and, if not, did the government take any action (e) what amount of the principal of any loan was repaid?

Hon. Pierre Bussières (Minister of State (Finance)): In the past six years, both the Export Development Corporation (EDC) and the Canadian International Development Agency (CIDA) have made loans to Cuba.

Cuba has signed eight loans with EDC for a total of Canadian $69.3 million. The interest rate varies on each loan but in all cases meets or exceeds EDC's minimum lending rate at the time of signing. All interest has been received on time and a total of Canadian $14.867 million had been repaid by December 31, 1979.

Cuba has also received one aid loan from CIDA. This loan was for $10 million with terms of 3 per cent interest, seven years grace, and 30 years maturity. All interest payments have not been received on time and Cuba is currently two semi-annual payments in arrears. Cuba has indicated that these payments will be made shortly. No principal is yet due on this CIDA loan.

NATIONAL MUSEUMS CORPORATION—FUNDS FOR CONSERVATION OF COLLECTIONS

Question No. 176—**Mr. Friesen:**

1. What percentage of funds expended by each branch of the National Museums Corporation goes toward the conservation of their collections?

2. Does the National Museums Corporation have plans to acquire vehicles and drivers to move items to and from various localities to the Canadian Conservation Institute in Ottawa for restoration and, if so (a) how many (b) are suitable vehicles available or do they have to be custom made (c) what is the estimated cost of each vehicle (d) are they available in Canada (e) how soon does the Corporation expect to have the vehicles "on the road"?

3. (a) What is the estimated number of trips budgeted for in the first year of operation by region (b) what is the estimated cost of the average trip to and from each region (c) how much of the transport costs will be passed on to the museum/gallery requesting the service?

4. (a) What is the cost of (i) a museum-mobile unit (ii) an average display in such a unit (b) what were the operating expenses for the year 1977?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

1.

	Percentage
National Gallery	5.3 per cent
National Museum of Man	3 per cent
National Museum of Natural Sciences	2 per cent
National Museum of Science and Technology	9.5 per cent

2. No. The National Museums of Canada operates a fleet of vehicles to transport exhibitions across the country. It is proposed that artifacts accepted for treatment at Canadian Conservation Institute headquarters be trans-

ported to Ottawa using the existing fleet. Treated objects would be returned by the same means.

3. (a) A regular schedule of six trips annually across the country is proposed to pick up and return works of art and artifacts.

(b) The operational cost per round trip for the vehicles and drivers is as follows: Pacific Region—$4,500; Prairie Region—$2,500; Ontario—$500; Quebec—$600; Atlantic Region—$1,200.

In many instances it will be possible to combine a pick up for Canadian Conservation Institute for restoration with the delivery of an exhibition for one of the National Museums, in which case the cost would not be borne entirely by Canadian Conservation Institute for restoration. It is therefore estimated that Canadian Conservation Institute for restoration's total annual transportation costs will be approximately $25,000.

(c) No part of this cost will be passed on to the museum or gallery requesting the service.

	Amount
4. (a) Rolling stock Museumobile unit	$351,700
Exhibit design, fabrication and installation	$415,000
(b) Operating expenses for FY 77/78:	
(1) Operating and Maintenance	$231,065
(2) Salaries	$212,493

SALES TAX—FEDERAL AND PROVINCIAL

Question No. 256—**Mr. Herbert:**

1. Since its inception in 1977, what has been the estimated difference between the amount paid by the provinces as federal sales tax on purchases and the amount paid by the government as sales tax on the goods it buys from some provinces?

2. (a) Which provinces do not participate in the plan (b) what is the estimated amount of the federal sales tax on the purchases made by these provinces which they would have paid if they had participated in the agreement?

Hon. Pierre Bussières (Minister of State (Finance)): 1. Data not available. 2(a) Manitoba, Saskatchewan, Alberta and British Columbia. (b) Data not available.

ELDORADO NUCLEAR LIMITED

Question No. 326—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Eldorado Nuclear Limited and its subsidiaries as at March 31, 1979?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): (a) 1,602 (b) 41.

COLONEL BELCHER HOSPITAL—CALGARY

Question No. 374—**Mr. Herbert:**

1. What is the present number of beds in the Colonel Belcher Hospital in Calgary?

2. How many beds are occupied by veterans who are accepted as the responsibility of the government?

3. What is the *per diem* cost per patient?

4. Are any beds occupied by patients who are considered the responsibility of the provincial government and, if so, how many are there and what is the *per diem* contribution of the provincial government towards the cost of care?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Colonel Belcher Hospital was transferred to another jurisdiction on April 1, 1980. Prior to the transfer, there were 323 beds in the hospital.

2. On April 17, 1980, there were 12.

3. Approximately $140.00.

4. Yes—about 250—$142.00 per diem active care, $65.00 per diem chronic care and $48.75 per diem domiciliary care.

EDMONTON VETERANS HOME

Question No. 376—**Mr. Herbert:**

1. How many (a) permanent (b) term (c) casual employees are presently working at the Edmonton Veterans Home?

2. Have these numbers changed since March 31, 1979?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): As at December 31, 1979;

1. (a) 100; (b) Nil; (c) Nil. The Edmonton Veterans Home was transferred to the province of Alberta on December 31, 1979.

2. At March 31, 1979, there were (a) 93; (b) 7; (c) 4.

DEPARTMENT OF FINANCE—PUBLIC RELATIONS

Question No. 624—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Finance?

Hon. Pierre Bussières (Minister of State (Finance)): Nine employees.

GREAT LAKES PILOTAGE AUTHORITY LIMITED

Question No. 709—**Mr. Clarke:**

1. With reference to the accompanying notes 1 and 2(a) of the financial statement of the Great Lakes Pilotage authority Limited detailed at page 117, volume III of the 1978-79 Public Accounts of Canada, now that the authority has eight years experience, on what date does it expect to be able to operate on a self-sustaining basis?

2. With reference to the contributed capital, what plans are there for the authority to reimburse the government?

3. With reference to the deficit of the authority financed by the government, are there any plans to have the deficit refinanced by the authority when it becomes self-sufficient and, if so, what are they?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The Great Lakes Pilotage Authority has returned to the government its entire vote for both years 1978/79 and 1979/80. The authority has no vote for 1980/81 and plans to operate on a self-sustaining basis. 2. None. 3. None.

Grants to Municipalities

ATLANTIC PILOTAGE AUTHORITY

Question No. 711—**Mr. Clarke:**

1. With reference to the accompanying notes of the financial statement of the Atlantic Pilotage Authority detailed at pages 10-11, volume III of the 1978-79 Public Accounts of Canada, now that the authority has eight years experience, can it give an estimate as to when it expects to be able to operate on a self-sustaining basis?

2. With reference to the contributed capital, what plans are there for the authority to re-imburse the government when it is on a self-sustaining basis?

3. With reference to the deficit of the authority financed by the government, are there any plans to have the deficit refinanced by the authority when it becomes self-sufficient and, if so, what are they?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The authority expects to operate on a self-sustaining basis in 1980 and in future years. 2. None. 3. None.

[*Translation*]

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

Some hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. McGrath: Madam Speaker, on a point of order, before you call orders of the day, in the light of the events which are taking place today and which might have an impact on House business tomorrow, might I ask the Parliamentary Secretary to the Minister of National Health and Welfare or the Parliamentary Secretary to the President of the Privy Council whether it is the intention of the government to proceed tomorrow with the measure dealing with guaranteed income supplements to old age pensioners?

Mr. Collenette: We would certainly be prepared to bring Bill C-16 before the House. I understand there have been discussions which suggest we could expedite the matter tomorrow afternoon. If that is the case we would be prepared to do that.

GOVERNMENT ORDERS

[*English*]

MUNICIPAL GRANTS ACT, 1980

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (Minister of Public Works) moved that Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Nowlan: On a point of order, Madam Speaker, I thought that in view of the nature of this bill the minister would be making a few introductory remarks on second reading. I was waiting until he spoke. I appreciate the fact that this bill has been around for some time and that it involves a good many municipalities across the country, but in view of the widespread interest in it I certainly thought the minister would tell us, for example, whether this bill, C-4, is identical with the bill brought in by the former minister of finance in the last government as Bill C-3. If so, our discussion might certainly be expedited; a good deal of time could be saved and we could move the bill along and into committee.

Mr. Cosgrove: Madam Speaker, I waited because I thought the hon. gentleman was about to rise to speak on this measure. The short answer to the question he has just raised is that the bill is significantly the same as the one to which he referred. Perhaps I should now comment on the bill before us.

I am pleased to introduce for second reading Bill C-4, which is intended to provide the federal government with new legislation to govern the program of grants to municipalities in lieu of property taxes. The general intent of the bill is to update and expand the federal system of grants in lieu of taxes. This will be good news to many municipalities across Canada, as the hon. member has pointed out. Many members are aware that the bill is in substantially the same form as the measure which was before Parliament on two occasions, initially under the Liberal administration and then under the Conservative administration in the Thirty-first Parliament. I should like to refer to *Hansard* of December 3, 1979, which records the exhaustive comments of members of Parliament on the introduction of this bill on the last occasion.

• (1510)

Throughout my ten years as an elected official in local government in metropolitan Toronto, I was convinced that local governments were in need of increased revenues to respond to their mandate as a responsible level of government. It is therefore particularly gratifying to me to have a role in introducing this bill, albeit a third time, with its modest help for approximately 2,000 Canadian municipalities across Canada.

I know that some members will argue that the bill does not go far enough, and I know there are a number of points of which members have spoken before, but I would urge that the bill, which is in substantial form the same as two bills previously before Parliament, should receive speedy consideration by Parliament because it would indeed give modest financial help to affected and qualifying local governments.

The riding of York-Scarborough which I represent and which will receive some benefits from this bill is the most populous in Canada. In the next few years, the existing 108,000 eligible voters will be joined by many thousands of new residents because most of the land left for residential

development in metropolitan Toronto is in the riding which I represent. The residents of the riding are people from many provinces and many countries who, in my opinion, face a significant challenge in building what has been described as their instant city into more than just a city but also an attractive community in which to live, work, play and indeed to call home.

Geographically, the riding is comprised of approximately the northern half of the borough of Scarborough, which I represented as mayor, together with a portion of the city of North York, which I represented as metropolitan Toronto councillor. Both of these municipalities have been rapid growth areas in municipal Toronto, each averaging approximately 5,000 residential starts over the past 20 years. In many cases this development has been called an instant city with all the challenges of settling that many people, with both hard and soft services and the challenge to make this part of Canada a good place in which people can live, work and play.

Bill C-4, I realize, is not a panacea to the financial challenges of my riding or indeed of the some 2,000 other municipalities which will benefit from the provisions of the bill. For my part, however, the bill is a recognition of the role played by local government in the total delivery of government services to the public. It is my hope in the upcoming months, when a re-analysis of the respective roles of government is undertaken, that the role and responsibility of local government will find a voice in the restructuring process. It is my view that this government and the provincial governments can only benefit from the combined input of local government, and hence all Canadians can benefit from the input of local government in that process. But topics such as trilevel discussions, revenue sharing, etc., will be for another day.

Bill C-4 now before the House is intended to provide the federal government with new legislation to govern the program of grants to municipalities in lieu of property taxes. I do not propose to make a long statement in support of this bill because, as I have indicated, other ministers on two previous occasions have talked to the bill at length. It would be desirable, however, to summarize the provisions of the bill and comment on the background.

The general purpose is to update and expand the federal system of grants in lieu of taxes. The bill achieves this by enlarging the definitions of real property and real property taxes in respect of which grants are to paid and by establishing how set grants are to be determined, making it clear that they are to constitute a full tax equivalent in almost all cases. The bill also provides for a set of guidelines which are to be observed by Crown corporations in making grants in lieu of taxes on their own properties.

The definition of property subject to grant is being made very broad. It encompasses virtually all lands and buildings that are owned by the Government of Canada. Let me list some examples, which include the Parliament buildings, office buildings, postal terminals, defence bases, armouries, national parks, historic sites, research laboratories, airports, marine properties, warehouses of all kinds including those associated with harbour facilities, communications stations, experimental farms, fish hatcheries, penitentiaries, police detachments, residential properties, hospitals, schools, libraries, and it goes on.

The definition of taxes in respect of which grants will be paid includes the real property tax, local improvements taxes, and almost any other kind of tax levied on owners of real property.

The grants to be paid in respect of the foregoing taxes and in respect of the properties described will be determined on the basis of full tax equivalency in almost all cases. In some cases they will represent more than full tax equivalency because some types of property which will be included are properties of a kind that are often not taxed when owned by someone other than the federal government.

In order to achieve the position which I have described, the bill makes a large number of changes in the legislation which has governed the program since 1957. In fact, the changes are so numerous that new legislation was necessary. I do not intend to itemize the changes, but I could describe three changes. First, as I have indicated, national parks, defence bases in rural areas, the Parliament buildings, etc., will be brought into the grant system. Second, and this is new, most deductions from grants will be eliminated. Third, the establishment of guidelines to govern grants by Crown corporations will be authorized. This will have a significant impact on the amount of moneys actually transferred to local authorities. These changes will mainly become effective for the 1980 taxation year of municipalities. Some provisions are subject to a four year phasing and the guidelines for Crown corporations will apply with a one year lag.

Now I have a few comments to make about the antecedents of Bill C-4. The present Municipal Grants Act is a 1951 statute which was amended in 1955 and 1957, but not since then A sizeable number of representations were made about the act during the decade of the 1970s, and the credit for responding to these and coming forward with a bill must go to my colleague, the Minister of Justice (Mr. Chrétien), who, in his former capacity as minister of finance, introduced Bill C-46 in the Thirtieth Parliament. We know that that bill did not proceed when Parliament was terminated. In the thirty-first Parliament an almost identical bill was introduced by the hon. member for St. John's West (Mr. Crosbie), and that bill similarly did not proceed past the second reading stage. But on December 3, 1979, which was the date of the second reading last given to the bill, although the debate was not completed I am told there were at least two hours of full discussion and eight hon. members spoke to the item. There was a full statement to Parliament to open the debate and this statement is set out in full in *Hansard*. I encourage members to review that statement.

Bill C-4 incorporates a few changes from the previous two bills. These changes do not alter in any way the amount of grants to be paid. Their general purpose is simply to clarify some of the provisions. However, I would like to refer to one of the changes since it affects me personally. This is the change in the definition of minister in the provision of the act which

now assigns responsibility for administration of the act to the Minister of Public Works rather than the Minister of Finance (Mr. MacEachen). The change in the definition of minister in the act was made because responsibility for administration of the grants program was transferred from the Department of Finance to the Department of Public Works on April 14 of this year. It was done just two days before the bill was introduced into the House. The change of administration was preceded by extensive discussions between the two ministries concerned, and it was approved by the Prime minister (Mr. Trudeau) on the basis of the recommendation of the Minister of Finance and myself.

● (1520)

The program of grants in lieu of taxes began in 1950. It was housed in the Department of Finance at that time. It was assigned to that department because the original program had limited coverage and numerous discretionary aspects. However, over the years the program has been significantly enlarged. The discretionary aspects have been curtailed, and from a managerial aspect the program is similar to the tax payment function of a privately owned corporation. In our opinion, this function is best carried out by those who are concerned with real property management, as is the general case in the private sector. In this way the tax or grantpaying function can best be integrated with all other aspects of property management. The foregoing considerations led the Minister of Finance and myself to the conclusion that the grant in lieu program should be transferred to the Department of Public Works, as I have indicated.

I should like to conclude with two final comments. First, this bill will bring benefits to a large number of municipalities across Canada. As a former mayor of Scarborough, I am very pleased to have the privilege of bringing this legislation before Parliament and of assuming the continuing responsibilities for the administration of the program. Second, there is good reason to believe, because of the history of this bill which I have outlined, that it will receive good support from this House. As I have indicated, there has been extensive public and parliamentary discussion of the issues raised in the bill. I dare say that some of the questions which members opposite may have concerning the bill will have been touched on and have been touched on in the past. I would encourage their support of the bill inasmuch as municipalities have been waiting in anticipation for the passage of this legislation for some time. Therefore I indicate that I am sure there is an appreciative audience for speedy treatment of this bill before the House.

In summary, I feel that I cannot improve upon the comments made by the former minister of finance on December 3, 1979 in his concluding remarks at this point in the previous bill. He was speaking about the bill when he said the following:

> It will tidy up and modernize a statute where changes are long overdue; it is now 22 years since it was changed. It will bring substantial benefits to local governments in all parts of Canada and will strengthen the principle that the Government of Canada is paying its way for the services it receives from municipal government.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I too am glad to participate in the debate on Bill C-4. I congratulate the minister for giving this bill priority over other government legislation, as was the case with the last government, and for showing the interest of the government in this bill, the subject matter of which has been around for quite a while, as the minister said.

I frankly do not know when a minister of the Crown perhaps has had such a relatively easy bill to bring in during troubled times. During other debates in this House I gather there has been a disposition for approval in principle mainly because there is a recognition of the fact that municipalities, which contribute so much to the ongoing government of this land, require and deserve much more financial assistance. There has been this anomaly which really stems right from the BNA Act. I find that somewhat ironic in view of the events which are taking place today. Of course, the BNA Act indicates that federal and provincial property shall not be subject to, in effect, property taxation, thereby starting the problem some 113 years ago. Perhaps it did not seem to be much of a problem then, but as the country, the government and the municipalities grew, the need for a proper grant system in lieu of property taxes became quite apparent.

I think the minister has a relatively easy job in his department in piloting this piece of legislation. He is getting his baptism of fire, so to speak, by bringing this bill in. One reason the minister may get off a little easy today is that he has a bill with which we are all sort of generally in agreement. Also, he is dispensing money, which is an easy thing for a minister to do. But this is also my first baptism of fire in that I have the honour of following a minister in sort of a critique role. Being the type of person I am—and the party to which I belong is always constructive—naturally I will try to make my comments not too critical but certainly constructive in nature.

The historic speech of the minister of finance in the last House was not quite as historic as the vote which occurred ten days later. It was on December 3 when Bill C-3 was debated. For members interested, the hon. member for St. John's West (Mr. Crosbie), as reported at page 1957 of *Hansard* for December 3, set out in almost extreme detail all the pitfalls and definition problems in this bill.

As the minister said, this bill has had a long gestation period. I suppose my friends to the left who have never really been in a position to be a putative father to any bill might question the joint paternity of this bill. The hon. member for Winnipeg North Centre (Mr. Knowles) looks at me with his quizzical eye. I say that in the best parliamentary sense.

Mr. Knowles: We have been fathering good legislation around here for decades.

Mr. Nowlan: Certainly the hon. member for Winnipeg North Centre is a father of many things in terms of legislation. Obviously he has an interest in this bill which will bring help to over 2,000 municipalities across the land.

I have really one critical comment. I am somewhat sorry in the first sortie of the minister on a bill involving municipal

governments that on all days the minister perhaps did not exercise a little more rhetoric in praise of municipalities and the contribution they make to the whole Government of Canada. We know today is a rather historic day. Whether more aid to municipalities will solve some fundamental problems across this land obviously is not a fundamental solution.

I know the minister was very active in municipal government. When I was on the west coast, I was involved in the municipal government for school boards. The hon. member for Parry Sound-Muskoka (Mr. Darling) was a reeve for an historic number of years, some 26 years. It is interesting that a lot of members of the House have cut their eye teeth on municipal governments or with municipal governments, be they municipal governments or school boards.

When I first heard this bill being kicked around several years ago, I was surprised that the matter did not move off dead centre and did not really move. Some of the questionable gestation, it is reported, allegedly was an enticement originally in Bill C-46 back in the Thirtieth Parliament when the then minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), issued a press release on February 19, 1979. It was suggested then—and this is what I meant by questionable paternity—that there was an enticement for the then mayor of Ottawa to throw his hat into the ring. I think Ottawa will benefit from the bill more as a single entity than any other part of the country because there is so much government property here. This was supposed to entice the then mayor of Ottawa into the federal ring.

• (1530)

We now have on my side of the House the hon. member for Nepean-Carleton (Mr. Baker). When he was president of the privy council in the former government and even before, he showed as did other hon. members from the Ottawa-Carleton area, a real interest in trying to reduce some of the financial burdens municipalities have found themselves under, especially compounded by the fact that so much federal government property was not taxed or providing the benefits of grants in lieu of taxes because the definition was rather strict and narrow.

That is why I compliment the minister for bringing this bill forward. In just a slight digression, let me say that the sooner we move this bill off dead centre in terms of the floor of this House and into the committee, the more respect we will show in a concrete way for the job the municipalities of this country are doing in all their phases. We have in this federal system two major levels of government, federal and provincial, but obviously the municipalities, creatures of the provincial system, are really the ones in day to day contact and in many ways have more influence and are seen more often by the taxpayer than those of us who are tucked away here in Ottawa so many months of the year.

For that reason I hope that there will be relatively speedy action to get this bill into committee so that we can deal with some of the fine points to which the minister alluded and into which perhaps the former minister of finance, the hon. member for St. John's West, went perhaps in a little too much detail. I hope some of those matters can be discussed a little more in the committee.

The very grant program which the minister said started many years ago involves an expenditure to the departments of over $148 million. Grants to Crown corporations I am informed add another $110 million. This bill would add some $25 million to this grant system by widening the definition of the property to get the grant and also changing some of the rates for calculation.

The minister spoke about his constituency. My province of Nova Scotia has several Canadian forces bases, let alone historic parks. We have a very direct interest. I do not want to declare any conflict of interest, but CFB Greenwood, which is really the heart and soul of the NATO air element of the Canadian forces, just happens to be in the heart of my riding. I am glad to see that under the new definition CFB Greenwood, like CFB Shearwater, CFB Chatham and many other bases across this country, is now going to be included in the grant structure. That will be all to the good as far as we Nova Scotians are concerned and as far as members from various municipalities across the country are concerned.

The minister mentioned that Parliament Hill, the National Library and Public Archives, the National Arts Centre, the National Gallery and the National Museum, all in Ottawa, will be included. I am sure the hon. member for Nepean-Carleton will be speaking further about this, about the problems created by this bill and the good the bill will do in the Ottawa area.

Because the bill seems to be positive, hon. members may wonder why it has been around for as long as it has. It has been without substantive amendment for 22 years. I go back to the debate in this House on December 3. The bill is going to accomplish some very positive things, but obviously—and this is one of the reasons I think we should get it into the committee fairly soon—there are problems involving taxation in view of municipal rates and formulae which perhaps can be illuminated and examined in committee, and perhaps the floor of the House is not the place to do it.

In a brief from the Federation of Canadian Municipalities tendered to the government way back in 1977, which was the basic brief on the then bill—and this bill has not been fundamentally changed—I think there were five areas of concern which the federation set out with regard to that bill, Bill C-46. As we know, the provisions of that bill were included in Bill C-3 and now in Bill C-4. Those five areas of concern were the difference between the assessed value versus the accepted value; second, the problem of properties which currently have a tax exempt status; third, the exemption from commercial or business tax; fourth, service deductions which the government made for services it received from the municipalities; fifth—which the minister touched upon—the fact that Crown corporations were rather ad hoc and inconsistent as to how they paid—if they paid at all—grants in lieu of taxes.

As I understand the bill, the first problem, the difference between an assessed value and an accepted value, is still going

to be left basically up to the minister, and it will be the minister's prerogative to set the value. I think that is in clause 2 of the bill.

As I read clause 2(1), we still have a problem between assessed value of property of a municipality and its accepted value. According to this legislation, the minister will determine the "effective rate". This will in effect be left to the opinion of the minister. Perhaps in committee we will need a little further amplification as to what the terms of reference or definition of "effective rate" is going to be, because in some ways if an effective rate does not relate to the assessed value, that might destroy some of the intent of the legislation, and that is to broaden the very basis for the grant in lieu of taxes. That is one area on which we need further explanation, and hopefully that can be done in the committee.

As I understand it, the second matter has been largely cured by this bill. With respect to properties which had a tax-exempt status, under the terms of this bill there will be an expansion and a very wide definition of the properties to be covered. Such properties as parks, historic sites, museums, art galleries and the like and defence bases are going to be included, so in large measure I think both this government and the previous government went a long way toward removing the complaint of the Federation of Canadian Municipalities that too many federal buildings were not even involved in the grant program.

As the minister stated today, and as I mentioned, the expansion of the grants in large measure has been clarified, and certainly if the clarification is not wide enough, perhaps by the time we come to the committee other municipalities which feel that it is still a little loose as to whether some property in their areas will be covered by the expanded grant may let us know. This is an unusual bill. Perhaps there will be many bills which will have this joint paternity, but the problem of the exempt properties has been largely rectified in the provisions of this bill.

I think the problem which is left up in the air the most, for perhaps very justifiable reasons, is the third problem which the Federation of Canadian Municipalities brought to the attention of the government in 1977. It has been passing resolutions on it since 1977 at its annual meetings. I refer to the question of the business tax or the commercial tax or the occupancy tax—call it what you will. Under the bill even as it is presently before the House, there is still not going to be, as I understand it—again there is a place, perhaps committee, for further clarification of this—any allowance for a business tax that the municipality imposes.

As we know, municipalities have a very limited source of revenue, be it from real property taxes, business taxes or commercial taxes. I appreciate the reasoning of the federal government that a business or commercial tax is such a variable thing, depending upon the municipality and/or the province, that there could not be a standard set across the country on the basis of which the federal government could give a consistent grant in lieu of taxes. I appreciate there are many variables in this equation. The lack of uniformity in respect of commercial taxes extends all the way through from different assessments, criteria and stock in trade to rental value, sometimes on the basis of square footage, and other times on the basis of storage capacity or assessed value of real property. Often it is done on the basis of a flat rate. Because of these variables in these municipal taxes across the country, the federal government felt there was no way it could pay a fair grant in lieu of taxes.

• (1540)

One of the reasons we have not made progress in respect of this bill is that it has been difficult enough in the past for municipalities to obtain a grant in lieu of property taxes. This bill, in effect, bites the bullet in respect of property taxes. It has, in effect, provided for grants and opens up areas in relation to property that are more difficult to assess in terms of property tax; for example, historic parks and defence bases. The government is apparently prepared to move in that direction, with all the difficulties involved.

The only other real source of income for a municipality is taxes on businesses or commercial endeavours. As I understand this bill, there will be no recognition of grants in lieu of income from business tax.

I do not run a business at my constituency office, but in my municipality I am confronted with a business tax. I objected to paying it, but I found out I was going to have my furniture hauled away if I did not pay it. The tax is assessed on the basis of the fact that I am located on the front, main street of my home town.

In similar fashion, I understand the federal government feels that, because it is not in a business, it should not pay any business tax or give any grant in lieu of such a tax. If that is the case, perhaps the minister will be able to expand upon that situation when the bill reaches study in committee.

Part of the dilemma in that argument is that departments do not carry on businesses, but some Crown corporations and agencies of government do, in effect, carry on businesses, often in direct competition with others in the private sector. Perhaps when we get to the committee stage the minister will be able to distinguish between a department which does not carry on a business and a Crown corporation or an agency of government that does. I can understand the government's argument in respect of departmental activities, but what is the situation in respect of a Crown corporation which carries on a business within a municipality? There is no problem that I see as to why the government has not moved to recognize a grant in lieu of some business or commercial tax in respect of departmental activity; but that reasoning does not apply to Crown corporations or other government agencies carrying on businesses, as I say, often in competition with others in the private sector.

With that situation, should there not be a recognition of some flat rate?

An hon. Member: $100 million.

Mr. Nowlan: The minister mentions from his seat "$100 million". I think Crown corporations are giving grants in lieu

of taxes to the extent of $110 million. Is that the $100 million the minister refers to? I know the minister has a problem speaking again in view of the rules of the House, but perhaps when we reach committee he can elucidate for me what I think is a slight contradiction in not recognizing departments in relation to grants in lieu of business taxes because they do not carry on business, and Crown corporations that do carry on business on a competitive basis. I should like the minister to comment further in that regard in committee.

The fourth matter, as I understand it, that the municipalities were concerned about has been corrected by this bill, particularly by clause 8. That concern relates to the fact that there was a deduction for the services a municipality provided to the federal government. The federation made the point in its brief back in 1977, and I quote:

> Two types of service deductions from the main grant are made to reflect:
>
> (1) the cost of those services provided directly by the federal government; and
>
> (2) the cost of those services provided by the municipality which are not used by the federal government.

The federation I think finally received some favourable recognition in this regard. The federation went on to state in its brief:

> The federation believes that there is no basis for these deductions, which assume that one only pays taxes for services received. It seems safe to say that no property tax system could operate on that basis.

The federation recommended that these service deductions be discontinued. As I understood the minister's remarks on the bill today, and as I understand the bill itself, in large measure, with very few exceptions, these service deductions will be removed, and that part of the increase in the grants will represent a contribution for those services, other than in some special situations involving educational contracts with municipalities under which special educational services are provided; for example, to defence bases.

The fifth matter which was raised by the federation involved Crown corporations. The minister said earlier that where Crown corporations were very hit or miss, inconsistent, in conferring grants in lieu of taxes, there will now be a more consistent direction, or more consistent directives to Crown corporations to provide municipalities with these grants in lieu of taxes. I think that is a very positive thing. Perhaps again when we reach committee study we will be given some further direction as to how wide these directives will be.

We all know that the increase in the activities of Crown corporations has represented a large part of the growth in government. I am glad to see that grants in this regard are to be brought into some order or under some umbrella so that municipalities will not always be wondering about these grants. In this way there will be some uniformity of grants to municipalities in lieu of business taxes in relation to Crown corporations.

Those are the five matters that caused the Federation of Canadian Municipalities some concern. Whether representatives of the federation or of any other organization will want to appear before the committee during its study of this bill, I do not know at this stage, but I feel this is a step forward. This matter was fully canvassed on December 3, 1979. The principle has favour with members on all sides of this House. Perhaps again, in view of the events of the day, if this place is to become a little more relevant, with recognition for the work that all governments do, especially municipal governments, the best thing we can do is move this bill from dead centre of the floor of the House of Commons, past second reading stage and into committee where some of the more complicated formulae set out in the bill can be explained by the minister. We on this side are in favour of the bill in principle and we want it to move forward.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, we in this party also support this bill and I would like to begin my remarks by outlining some of our reasons for doing so.

In the first instance, of course, there is to be an additional $25 million provided to municipalities by way of grants in lieu of property taxes. That $25 million is a significant amount. This bill, in addition, increases the number and kinds of federal properties which fall within the scope of this legislation. That removes a bugbear that has existed in the legislation.

In addition, the bill provides some direction to Crown corporations regarding grants in lieu of taxes. This improvement perhaps results from submissions and briefs that have been presented to the government in the past. As I understand it, the bill also makes some provision for Crown corporations which are generally independent of the federal treasury, being expected to pay grants in lieu of business occupancy tax. As well, for the first time the bill will provide for the payment of grants in lieu of taxes as it affects defence bases in rural areas, national parks, historic sites, museums, libraries, art galleries, concert halls, etc. There are many improvements in this bill and it, therefore, deserves support.

• (1550)

However, there are also some serious shortcomings which we should not allow to go by without saying something in that regard. Fundamentally, a weakness in the legislation is that it continues to be a grants system—rather than a taxation system. In other words, the authority as to how much tax will be paid still lies with the federal government—rather than with the local taxation authorities. This was certainly the main criticism brought forward by the Federation of Canadian Municipalities when they referred to the difference between the assessed value, which is the value assessed by the local authorities, and the accepted value, which is determined by the federal government.

In principle, the bill is weak. If there is to be an increased respect in this House for local councils and cities, then this bill would be a good start if we were to change the basic principle underlying this legislation.

The other major area of weakness in this bill is the continued exemption of the federal government from paying commercial taxes. Commercial taxes are an important source of revenue for local government, and as long as the federal

government gets off the hook by not having to pay, then the local taxpayer must pick up the tab. I am referring to the local property taxpayer and, as we all know, local property taxes are the most regressive taxes and a tax which is really hurting people today.

It is also important to note with regard to the government's continued exemption from commercial taxation that Prince Edward Island has found a way around this situation by combining what was once their commercial tax with their property tax. So, in effect, the federal government is paying a commercial tax in Prince Edward Island. This is a very inequitable situation so far as the other provinces are concerned; the principle should be applied across the country, not just in one province.

If the body involved, such as a corporation or any private profit-making corporation, were in this situation, we would not allow them to get away without paying the tax levied by the local government. There is no reason why the federal government, simply because it is the most senior level of government in this country, should be able to use its authority to get away from paying local taxes.

Another reason that this commercial tax should be paid by the federal government is that if it were not in the building that it occupies, then clearly some other activity would be carried on in that building. This has the effect of creating a lost opportunity for the community, which means loss of revenue. If a private citizen refused to pay a tax levied by a local authority, that person would be dealt with very expeditiously by the local tax authorities; but not the federal government, which is exempt from paying this commercial tax. I see no reason why the federal government should be able to get away with not paying a tax when a private citizen would be made to pay the bill. In fact, since the government does not pay this commercial tax, the local citizen is forced to pay a higher property tax.

Finally, with regard to the continued commercial tax exemption of the federal government, it is at least interesting, if not completely entertaining to me, to read the comments on this bill by the Liberal party when they were in opposition. At that time they seemed to indicate through one of their members that they were in complete accord with the objections or concerns expressed by the Federation of Canadian Municipalities. I can think of two specific objections expressed by that organization. The first objection is the reference to the difference between the assessed value and the accepted value; and the second objection, of course, is the commercial tax exemption.

When this bill came into the House, the Liberals while in opposition raised the question as to why there should be a continued exemption from commercial taxes. Now that the Liberals are in office, they have done nothing about the matter. I also noticed that when the Conservatives were in government they were supportive of this legislation. Now that they are in opposition, they refer to the objections raised by the Federation of Canadian Municipalities. The Conservatives while in office did nothing with regard to at least a couple of those objections.

There are other shortcomings in this bill, and I will mention a couple more. One refers to the clause whereby regulations must be published before they are implemented. It seems to me that the clause says that the regulations must be published only once. After that one publication, the government could change the regulation and implement it without making the public aware of the changes. The government should publish these regulations until they are in a form in which they can be implemented. This would show a greater commitment to open government than the simple requirement that the regulations be published only once, which of course leaves the government with the option of changing the regulations after that publication.

Another shortcoming is with regard to the phasing in of the grants over four years. That is, in the first period the government will pay 25 per cent, in the second year 50 per cent and on upwards. The bill acknowledges that the government owes a tax bill to the local authorities, but if one owes a tax bill, one cannot get away with paying 25 per cent in the first year, 50 per cent in the second year and so on. Certainly no individual taxpayer could get away with such a proposition. If one owes on a bill, then one should pay that bill in full.

By and large, this is a good bill and it deserves support. Yet much more would have been possible had the government taken the initiative, and much more is necessary. Once again, I hope that, perhaps in the committee stage, the minister and members of the opposition will be willing to push a little further to clear up the concern about, "assessed value" and "accepted value" and about doing away with the commercial tax exemption.

Mr. Ron Irwin (Sault Ste. Marie): Mr. Speaker, I rise in support of Bill C-4, to establish the Municipal Grants Act, 1980. The hon. minister has indicated that it has been three decades since there has been any major revision in this area. There was an indication that $258 million was paid out in 1979-80, $148 million by the federal government and $110 million by the Crown corporations and external affairs. The hon. member from Annapolis Valley-Hants has indicated some concern over this matter. I assume that his concerns will be cleared up in committee.

There are five major areas which I am pleased to support. Previously the federal government defence bases were not required to pay their fair share of taxes if they provided certain facilities, specifically elementary and secondary schools, police protection, fire protection, garbage pick-up and sewage. Now the government will be required to pay their fair share if the municipality is unwilling or unable to provide those facilities. Previously the government had a preferred rate, and this will no longer exist unless the ordinary taxpayer has a comparable preferred rate.

The minister has referred to the new definition of property, which is important and means an additional $25 million. There will also now be payments direct to Indian bands, and water

taxes, particularly in the province of Quebec, will now be included. The bill is fairly straightforward, but there is a great deal of discretion left to the minister. If the discretion is exercised fairly, I cannot foresee any problem. For instance, under clause 3(1), the minister may grant funds out of the Consolidated Revenue Fund. Under clause 13 no right or grant is conferred by this act. Under clause 6(ii) the minister may deduct an amount for services that, in his opinion, the authority is unable or unwilling to provide. I am sure that if it is exercised fairly there will be little problem with the act.

● (1600)

To ascertain what this meant in terms of dollars, over the weekend in my riding of Sault Ste. Marie, I contacted the mayor, the city administrator and the treasurer who indicated $461,000 was paid out. That represents a population of 83,000, so it gives us some idea of how the money is allocated. There was a suggestion made by the treasurer that for better administration of the bill the federal government pay its bills on time as it expects others to do. For instance, the municipal fiscal year is from January 1, to December 31. The federal government, under this act, is within the same fiscal year as far as payment is concerned, yet the federal government does not pay its bill until the latter part of the year.

As hon. members are all aware, the municipal base of revenue is very narrow. It comes from normal taxation, normal licence fees, grants and subsidies from the senior levels of government and earnings from municipal undertakings. The licence fees and municipal undertakings just barely pay their own way. As far as subsidies are concerned, I do not know of the studies, but the municipal rule of thumb, at least in Ontario, is to try to run the municipality as follows: one third municipal, one third provincial and one third federal.

With regard to local improvement charges, people are paying less under local improvements than what it actually costs municipalities; for instance, for sidewalks. These services are directly attributable to the value of the house. That leaves, as the hon. member for Winnipeg-St. James (Mr. Keeper) indicated, a regressive municipal tax for most services. I suggest that that is an unfair method of taxation that was right 50 years ago but is no longer in today's modern society. It is unfair because the pensioner pays more than his fair share and the low-income people pay more than their fair share. It is unfair because the renters do not pay their fair share for police, fire and school costs. Yet this system persists.

It would be much fairer—and we are into this with the referendum in Quebec—if the municipalities were under the similar type of system that the federal income system is based upon.

I would like to discuss my city primarily because I am familiar with it. But I think there are other examples in northern Saskatchewan, northeastern New Brunswick or in many parts of this country where there is a medium-sized municipality. Ours is a medium-sized municipality with a population of 83,000 and a stable economy. We have a pulp and paper mill, a steel corporation and a lumber company. Between 1961 and 1975 the area experienced high income and a rapidly expanding population. Algoma Steel, within that period, invested $800 million and with 10,000 employees the population increased. With amalgamation there was a further jump in population. It increased from 43,000 to 70,000. Because the economy boomed during this period, our town boomed. But the federal government came into the area and started a senior citizens program which put a demand on the building trades and a geared-to-income housing program.

Then there were large expenditures for insect pathology and urban renewal. Along came the provincial government and did the same thing in partnership with the federal government for senior citizens, geared-to-income housing and urban renewal. Then came the CAT colleges with regard to higher education and conservation projects. At the same time the high schools jumped on the bandwagon and the city built a new city hall. Also at the same time private development went on the upswing. All in all, the municipal debt doubled from $13 million to $31 million between 1965 and 1978. This example is probably appropriate to most municipalities of this size and nature in Canada.

Today the major industry, Algoma Steel, says that it is going to invest $475 million. This investment has already started. Great Lakes Power is going to invest another $85 million to build a 52 megawatt power generator plant. The spin-off is 5,000 additional jobs and a population increase of 25 per cent to 30 per cent.

A report was prepared and submitted to the province, and which will come to the federal government, showing what this means to a municipality which must provide basic services, such as sanitary services, on this archaic system. It means that municipalities such as ours, which will be receiving half a million dollars under this act, will require $26,590,000 to put in sanitary services that are necessary for this type of expansion, for which we are responsible.

DREE has said—and we are within one of the areas covered by DREE—that it does not have enough money, yet it has done a good job in the past in Cornwall, Dryden, Thunder Bay, Nakina and so on along these lines. We have to watch what DREE is doing with its limited funds.

I think Bill C-4 is excellent legislation and is heading in the right direction. However, I think the time has come, as one hon. member has suggested, when we should go back to the municipalities, as we did perhaps a decade ago, to these tri-level conferences which did an excellent job. We have to realize we are all serving the same taxpayer. There are only two criteria: that we collect the money judicially, and that we spend it wisely.

In conclusion, I support Bill C-4 with these additional thoughts that I think will enhance the development of our tax base at the three levels of government.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have been following the debate on bill C-4, the proposed municipal grants act, with interest. I listened carefully to what the minister, and the spokesman for my caucus had

to say, to the hon. member for Annapolis Valley-Hants (Mr. Nowlan) and also to what the member from the New Democratic Party had to say, the hon. member for Winnipeg-St. James (Mr. Keeper).

First of all, I would like to say to the member from Winnipeg that the remarks I am making today are essentially those that I had intended to make last December when this bill was brought forward by the government of which I was a part. I was not totally satisfied with the bill at that time. While the member from Winnipeg might say that we were supporting the bill then, and now are quoting the Federation of Canadian Municipalities, I want him to know that although we were supporting the bill, it does not mean that we had total unanimity on all the minor points in that bill. Surely we are large enough in this House to be able to give generous support to legislation without necessarily agreeing on all of the fine points.

I support what the member from Annapolis Valley-Hants had to say in quoting what the Federation of Canadian Municipalities said in its 1977 resolution. The minister says that some members are saying that this bill does not go far enough. When one of his own members points out that the bill is simply a revision of a bill that is approximately now 30 years old, perhaps what we need is more than fine tuning. Maybe we ought to look at some of the principles underlying the matter of grants in lieu of taxes, and maybe broaden them so that they promote equity in the distribution of these grants throughout Canada.

It seems to me that one of the problems of this bill is that it tends to perpetuate inequalities in the distribution of grants. I think that is an inherent problem with the bill. I remember when the spokesman for the Conservative party was speaking that the minister shook his head vigorously when he suggested that Ottawa would benefit more, and maybe it had to do with something regarding the political scene. The minister denied that. Well, he was not reading the Ottawa newspapers at that time because there was quite an upheaval in that Ottawa's tax base was diminishing owing to the wholesale move to new installations across the river.

● (1610)

The fact is that when you look at the proscriptions within the bill, cities that have federal installations, principally office buildings, are going to benefit more than other cities that have other kinds of federal installations. If we are going to look at the principles of the legislation, we have to look at the total package of federal installations and provide for greater equity than what the bill provides at the present time.

Let me just give a "for instance". I refer to page 4, subclause (2)(f). I quote:

—but does not include

(f) any structure or work that is not a building designed primarily for the shelter of people, living things, plant or movable property and, for greater certainty, "federal property" does not include any structure, work, machinery or equipment included in schedule II,

That already narrows it down considerably when you think, for example, of all the government corporations that are operating in some municipalities. The proscription in that paragraph narrows down the possibility of grants to municipalities that are providing a home base for some of those corporations.

Schedule II is referred to in that paragraph. The minister mentioned federal ports are included, and that is true, but he did not tell all the truth because it does not mention all of the installations within those federal ports and it is only certain kinds of federal ports. I want to point out that one of the pieces of discrimination in the legislation has to do with the fact that the National Harbours Board have to pay grants in lieu of taxes but harbour commissions do not. I know that is not part of the responsibility of this particular minister, but if the government is going to take a global look at grants in lieu of taxes and wants to erase some of the inequities that are going on, it ought to look at the fact that commission ports are not paying either taxes or grants in lieu of taxes.

I understand now, on some very good authority from a member of the government party, that the government is quietly shelving the ports act. The ports act would have revised the whole system so that all of the ports would have had to pay grants in lieu of taxes. If the government is considering shelving that piece of legislation, it is again perpetuating the inequity between National Harbours Board facilities and commission port facilities. I hope that when the minister appears before the committee, he will allow some kind of latitude in discussing this legislation so that he can revise some of the aspects and schedules that are listed in the back of the bill.

The minister mentioned ports, but schedule II excludes docks, wharves, piers, piles, dolphins, floats, breakwaters, retaining walls and jetties. I may not be much of a seaman, but my house overlooks the Pacific Ocean and I do know a little bit about ports from that vantage point. I had always assumed that wharves had something to do with ports.

If the minister wants to create equity—and one of the purposes of bringing the legislation forward is to create some equity in this provision—maybe he ought to revise schedule II so that when he is talking about federal ports he is in fact talking about federal ports, not only minuscule portions of those federal ports.

As some of the other speakers have pointed out, the legislation discriminates between federal business installations and private business installations. I recall some months ago trying to press the point regarding a federal harbour commission, like the Fraser River Harbour Commission, in my constituency. In his introductory commercial, his chamber of commerce commercial, the minister mentioned that Scarborough is the largest constituency. That is undoubtedly true. It so happens that mine is the next largest. It is certainly the largest west of his constituency. The municipality that I represent in part has as many electors as he has in his. I am sure the problems in my constituency are the same as in his.

Municipalities continually try to increase their industrial tax base in order to take some of the burden off the home owner.

When you have a port authority like the Fraser River Harbour Commission being exempted from taxes and grants in lieu of taxes and it is not on the schedule, you increase the burden of taxes on the home owner. In fact, the home owner is subsidizing the Fraser River Harbour Commission.

When I was speaking to this point some months ago, the officials of the department were quick to defend the commission ports by referring to all the residual benefits that flow out of those commission ports and all of the social benefits that accrue to the community because the port happens to be there; they told us to think of all the jobs it provides and all the income taxes its employees provide.

I ask these people, what is going on here? I am sure the steel fabricating firm up the river from this port is paying taxes on the total installation. I am sure they are providing some benefits to the community. The plastics plant which is just a few miles away has to pay taxes on the total installation. I am sure they would say they are providing some benefits to the total community. How can the officials of the department have the gall to say that they should not have to pay the same kinds of taxes as private industry because they are providing all of these extra benefits to the community? What extra benefits? Surely by paying full taxes on the property and the business involved in that property, private industry is also contributing to the community.

If the minister feels that this bill really needs to be updated and revised, let us do it root and branch. Let us look at the principles now incorporated in the bill and make sure that they apply fairly to all municipalities, and apply fairly between the government and private industry.

It so happens, Mr. Speaker, that if you apply the same rules to the Fraser River Harbour Commission in my community that apply to industry, the municipality would stand to gain something like $250,000 a year in taxes. If you apply it narrowly the way the departmental officials want to, those tax revenues are reduced to about $60,000. That is about a $200,000 difference a year. The home owners of that community are supporting the federal government.

I say to the minister that if he is really serious about taking a root and branch look at this legislation so that grants in lieu of taxes are applied fairly, the grants should apply fairly to all municipalities and they should be applied fairly and on an equitable base between federal installations and the private industrial installations, so that the private home owner or the private industrial companies are not subsidizing the federal installations.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I will not be very long; I just want to make a few comments on this bill.

An hon. Member: Filibuster.

Mr. Gauthier: No, it is not a filibuster. I just want to make some comments on the differences between the present bill and the bill tabled by the previous government, the former Bill C-46.

Generally speaking, this move has been awaited for a long time by municipalities, especially those I represent, Ottawa and Vanier. As the previous speaker mentioned, no one could have lived in Ottawa very long without having lived through situations such as where our mayors, for example, even threatened to interrupt services if the federal government did not pay the full amount of assessment that they believed it should pay.

I would like to draw the attention of the House to one substantial difference between this bill and the last because of our experience in Ottawa with federal land acquisitions for federal purposes. I just want to relate one example, and that is the habit of the federal government through its agencies to acquire land or buildings, for purposes which are justified. I think of the large amount of space that was purchased in Ottawa by the federal government through DPW, the NCC or CMHC, which we thought was to be used for urban development and for a number of years was turned into parks. I think in particular of LeBreton flats, where several dozens of acres now lie fallow, undeveloped and unproductive as far as the municipality of Ottawa is concerned. I am thinking of the Fournier Park in Hull; a long-term housing development was planned for that area and, as yet, we have seen nothing.

• (1620)

Another example which comes to mind is Woodroffe Park, land owned by the federal government, which comes under paragraph (g)—any real property developed and used as a park and situated within an area defined as "urban" by Statistics Canada. It appears to me the federal government has to come to grips with the problem caused by acquiring properties, leaving them undeveloped and depriving municipalities of the assessments they might have got out of them.

I would refer, also, to clause 12 of the bill. That clause, I notice, follows word for word the former Bill C-3 brought in by the previous government in that the minister, who would have had some discretion, has no more that discretion. I refer to new acquisitions by the federal government. Under Bill C-46, if the federal government were to acquire a piece of property, a building of some kind, for federal purposes, a certain discretion was vested in the minister. I would like to read a few words from that bill.

> The minister of the Crown who is to have the management, charge or direction of such property may out of moneys appropriated by Parliament for the purchase of that acquisition make a grant to the taxing authority in lieu of real property tax . . . in respect to such property for the portion of the taxation year remaining after its acquisition.

Unless we amend the bill before us, the minister will have no discretion to do this. I notice he did not have such authority under Bill C-3 either, and I question the wisdom of the change. It might well be that a municipality would suffer a loss through the acquisition by the federal government of a property, say, in January or February of the year; ten months of that year would then elapse without the local authority receiving any money in respect of property which, prior to appropriation, was a source of revenue. I find this proposition hard to accept and I hope the minister will ask his advisers to prepare the answers for us in committee, because I am sure

members will be anxious to know why this particular provision was removed from Bill C-4.

I think the questions raised by hon. members today were quite interesting. The point which was made with regard to the commercial occupancy tax was sufficient to suggest that we ought not to become involved in that kind of dossier this afternoon, because it is my understanding there are ten provinces with ten different systems in this regard, systems which are not comparable either from province to province or from industry to industry. It would be very difficult for the federal government to come in with one umbrella saying: Yes, we will pay the proportionate taxes which would go with the commerical assessment. I understand, for example, that Prince Edward Island has abolished the commercial tax completely and has imposed one tax for real estate properties and another for all other property, including industrial and commercial. Ontario came close to doing the same thing last year or the year before, but failed to carry it through because of the political consequences this would have had for the Toronto tax base.

I support the minister in his statement that commercial assessment taxes would be most difficult for the federal government to set up, mainly because of the variations which exist between provinces. I guess we will have time to go into many of these points with the minister later; I thank him for the celerity with which he has acted. I thank him for seven years of constant pressure and consultation with everybody in finance. I guess the Minister of Public Works (Mr. Cosgrove) is more efficacious than ministers of finance. He has succeeded in a month and a half in bringing forth a bill which I believe will mean an improvement as far as my city is concerned and which will result in increased grants.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my few remarks will be directed to two or three of the subjects which have already been raised. I say to the last speaker that I share his concern about that provision in the bill which is not quite in accordance with the historical intent. I support the observations he has made, with one further comment. I refer to clause 12 of the bill, which states:

> Notwithstanding anything in this act, where Her Majesty in right of Canada acquires taxable property, no grant shall be made under this act in respect of such property for any part of the taxation year during which it was acquired.

This is quite acceptable, I believe, to provinces and municipalities where lands expropriated are properties held in right of the Crown by the province or municipality. The difficulty, as has just been pointed out, arises when the federal authority acquiring land chooses to do so on January 1, exempting itself under this legislation from any obligation, moral or otherwise, to make grants or payments in lieu of taxes to the appropriate provincial authority and thus to the municipality directly concerned.

This is where I find the clause to be deficient. It leaves an individual who has been deprived, or may have been deprived, of the right of enjoyment or of entitlement to property on January 1 liable for municipal taxes and other forms of taxes when, in fact, he no longer enjoys right of enjoyment of that piece of property for whatever purpose.

So I would briefly join with others in indicating to the minister that I am sure this is one area members will want to re-examine. It seems to me that the prorated adventure in this area by most provincial jurisdictions is equitable. There is no need for the federal government to be seen to be taking a slight advantage under a bill like this. The dollars and cents we are talking about are insignificant alongside the potential danger we incur if we follow the intent of clause 4 of the general section of this act.

Mr. Speaker, there are a number of minor inequities in the bill. The hon. member for Surrey-White Rock-North Delta (Mr. Friesen) has touched on the inequity of exclusions under schedule II, dealing with ports, particularly the commission ports, but, as well, all of those structures, many of which are fund or money-generating facilities owned by the federal government, which fall within Ports Canada.

● (1630)

As the minister will probably be fully aware, Ports Canada does a significantly greater volume of business in this country of ours than do the ports of significance. In other words, the 20 major ports in Canada handle a relatively small part of the total volume of business that is transacted in and out of ports in Canada. I am sure the minister is aware of that. I simply alert the minister to the fact that in committee this will be an area which will be examined, particularly where there is very clear evidence that the Government of Canada in fact profits from the operation of a facility. In this case I am referring to ports under the Ports Canada authorities we have.

My final comment, because all the others have been touched upon, is that all of this is very good. It is like mother love and it has been around for a long time. I do not particularly commend the minister for bringing it on early. Perhaps I could share the sentiment that in other responsibilities he did take some leadership in bringing about change to the old bill.

While I commend the minister for having done so in another context, I remind him that he is no longer a mayor from the Toronto area. He is now a minister of the Crown sitting here in Ottawa, and he has a responsibility to everybody. The sooner he remembers, in a sense, that he has one responsibility and obligation here—that is, to the people of Canada in his portfolio with respect to public works—perhaps the better off we will be.

The final point I want to make is that, notwithstanding all this mother love and everything else, what is probably as important to municipalities and provinces is that the federal government pay its bills on time. There is nothing more costly or aggravating to municipalities, cities or provinces than to budget for funds and then have to go out and borrow those funds while waiting for the federal government to complete its transfer arrangements with respect to these matters. Nothing is more aggravating, and I see nothing in this bill that will change that.

Indeed, I am afraid that the phasing in of the new system in 1980, 1981, 1982 and 1983 before there is a 100 per cent transfer is going to cause enormous problems for cities, munic-

ipalities and provinces. The distinguished people in the gallery are very competent.

Mr. Nowlan: Explain.

Mr. Forrestall: There are too many of them for it to be otherwise. They are very competent, and so is the system, and so is the structure; but history tells us that if something can go wrong, it will. I know what we are trying to do and what we are trying to get at. It would be my strongest suggestion that this system not be phased in over four years but, rather, that it be phased in after one year in order to reduce the complications which will arise when the province of British Columbia does a property evaluation and reassessment one year and Nova Scotia another year falling within these four years. I think there are two or three massive re-evaluations to be made, and this is going to cause problems with the computer. All these things are going to lead to problems. When we are dealing with something as technical and complex as this, it seems to me that the cleaner and quicker we do it, the less chance there is for confusion down the road.

If we accept that grants in lieu of taxes are absolutely necessary if municipalities are to get on with their work, then surely part of that or one matter, one understanding or one point without question is that we facilitate the municipalities and the provinces in the utilization of that money with respect to budgeting and so forth.

It is important that we pay our bills on time. In my judgment, the phasing in of this system will tend to complicate that, and if history follows in this case as it does in everything else—I think it was Mr. Murphy's law or someone else's that if something can go wrong, it will—it will in fact confront those in the minister's department who now have to administer this program as well as the recipient bodies, the municipalities and the provinces.

With those two or three points I have mentioned to the minister, and while everybody on all sides of the House welcomes these measures, they are not without fault. There are minor things which I hope the committee system and some detailed examination will help to strengthen, so that what emerges at the report stage in the House and subsequently at third reading stage and passage will be the best that we can do under today's circumstances for the provinces and municipalities, and that it may stand, as did the previous act.

It always augurs well for a bill if it lasts 15 or 20 years. The worst form of pollution is a good idea discarded before it has been fully used. It would be our intention to bring these matters to the minister's attention so that, in the final analysis, the bill is the best we can produce under the circumstances.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a real pleasure to be able to address myself to Bill C-4 which is before us this afternoon relating to grants to municipalities. I have listened with a great deal of interest to all of the speakers, and I concur with the points of view raised. I feel it would not be appropriate for me simply to repeat what has already been said in the spirit of moving hastily to ensure the speedy passage of this bill and getting it into committee where it will be examined in detail. I have confidence that the minister will receive our comments well and see that the suggested improvements to the bill in fact take place.

There are two items, however, which I would like to mention specifically to emphasize the fact that the bill does not recognize seriously the differences in municipalities across the country. Certain municipalities will receive benefits far in excess of benefits received elsewhere simply because of the nature of the taxation base in these various municipalities.

I must also stress the need for some consideration of payment a bit earlier than what has traditionally been the case.

As a member of a city council for a number of years I can say that it was always a disappointment when we had to wait so long to receive the moneys we expected from the federal government. This caused a great deal of uncertainty and concern about the ability of the municipality to pay its bills and meet its obligations in terms of providing services to its taxpayers.

The city I represented as a city council member certainly recognized that there are many, many problems facing municipalities today, not the least of which are financial problems. We found ourselves in a situation where we had to go out and borrow money. At that time we were borrowing from foreign sources, and very shortly thereafter, because of the rapid devaluation of the Canadian dollar, we found ourselves in a situation where we had to be paying off huge foreign debts in terms of Swiss francs, German marks or American dollars. This simply added to the financial problems of the municipality.

This bill is certainly a step in the right direction but, as the minister responsible indicated, it does not go far enough. There are many problems this bill does not address. In this form, of course, it cannot address them. It is not a panacea for all the problems that face municipalities today but a step in the right direction. I suggest it is a small step in the right direction, especially when one considers the major jump backwards that was taken in 1978 when the Liberal government at the time did away with the department of urban affairs, a move which was, in a sense, supported by the Conservative party in their brief time in office.

● (1640)

I suggest that more than ever before there is a need for more active leadership to be shown by the federal government in terms of urban development and municipal affairs. When confederation came into being more than 100 years ago, the composition of our population was significantly different from what it is today. At that time 80 per cent of the population was rural and only 20 per cent was urban. Today we find the situation completely reversed; 80 per cent of Canadians live in urban areas and 20 per cent live in rural areas. Perhaps we could even make a strong case for saying that those living in the so-called rural areas, small villages and towns, are in fact urban dwellers as well and face many of the problems, stresses and challenges of the urban dwellers. One can make a case

that 90 per cent of Canada's population today is experiencing urban difficulties and problems. Maybe this bill is the beginning of that process and maybe this is the time for the federal government to demonstrate serious leadership in terms of urban and municipal affairs, to provide the initiative which is presently lacking in many parts of the country.

Many of our provincial governments bear the responsibility for some of the shortcomings. I must say that I feel the federal government, relative to some of the provincial governments, has done an admirable job. However, a great deal of work is yet to be done, a great deal of creativity and innovation is before us, and that opportunity is certainly knocking at a time when scarce public funds require optimum and efficient use, where cost effective measures have never been as needed as they are today. It is a time for the federal government to provide creative, energetic initiative and leadership in Canada when it comes to dealing with urban challenges.

We see a country—and we are reminded of it especially today—of extreme diversity. Yet when you look at the nature of the cities, towns and villages across this diverse country, you recognize that similar problems exist there. The fact that a municipality may be 3,000 miles away does not necessarily mean that it shares different problems in terms of the servicing of expensive suburbs or in terms of experiencing crises in rental accommodation or perhaps vacancy rates in the neighbourhood of 1 per cent, or in some cases down to 0.1 per cent or 0.2 per cent, where housing construction, particularly social housing, is a major challenge facing both large and medium-sized municipalities, providing for expensive urban infrastructure of all sorts, sewage systems, road systems, parks, and so on.

In the whole matter of urban transportation, be it public transportation, rapid transportation, on the kinds of problems that face municipalities from one end of this country to another, the municipalities are left on their own. Either because they have to resort to the private sector or make use of various consulting firms, or essentially have to reinvent the wheel, they are not taking advantage of the experience of sister municipalities in other parts of the country. They are not taking advantage of the experience which other municipalities have had in providing services and recognizing the difficulties which others have already experienced.

It seems that here is an opportunity for us as the federal government to play a role in providing a type of clearing house, in providing a kind of co-operative energy to bring to bear the existing knowledge, expertise and information that many municipalities and many urban centres would enjoy and from which they would benefit. It would save them the expense of finding what they think are unique solutions when, in fact, a few miles away there might be old solutions.

I feel that the challenge of energy cost to municipalities is something which the federal government must address in terms of providing leadership. The municipality which I had the privilege of serving in the past used to expend, a handful of years ago, $50,000 on their hydro charges to pump water to the various parts of the city. In a handful of years, that amount of money has changed from $50,000 to nearly one-third of a million dollars. The responsibility for that was borne, by and large, at the local level in terms of meeting those servicing costs.

With regard to cultural opportunities, we are seeing a great deal of initiative taken now in various communities across the country, initiative which we must nurture, encourage and support, where communities are coming together and building small community centres, theatres, art galleries, facilities to welcome and provide a home for the visual and performing arts, something which, if we are to weld this fine country together in a spirit which every member in the House would like to see, we should encourage.

Again this is another apportunity for the federal government to provide leadership and to show the way, through funding and, perhaps as important, through providing the co-operative energy of bringing together people and ideas to find a solution to these problems. However, we have seen in the past a cutting back in that leadership, a reduction in the leadership where the federal government, in an attempt perhaps to be more cost efficient through the consolidation of various federal programs and the transference of those consolidated programs into the provincial sphere, has given the provinces more responsibility in distributing federal funds.

One has to reflect on whether or not that has always resulted in a better service and a better opportunity for people dwelling in municipalities. For example, the urban transportation assistance program provided the initiative for programs such as railroad relocation to be transferred from the sphere of the federal government to that of the provincial government. Sums of money were made available to assist in urban transportation, which caught a number of municipalities part way along their own planning of expenditures to relocate outmoded and problematic rail transportation yards from the central part of the city to the outskirts. Once the provinces had the ability to decide how those funds might be expended, based perhaps in some cases on their own political motivation, and they chose not to continue a number of those programs, much to the disappointment of those municipalities which had already expended significant sums of money, the municipalities were left holding the bag.

When one considers that leadership in terms of our urban centres is required as it never was before, where a clearing house for information and ideas could be provided by the federal government, one recognizes the importance of our request to the minister that he reconsider, in his time in office, the decision to abandon the department of urban affairs and rethink the role that it could play in a country which is, by and large, urban. This is one of the most urban countries in the entire world.

In closing, let me comment, Mr. Speaker, on another matter which I feel must be addressed. This is the problem which faces virtually all municipalities, both large and small, across our country. It is the whole matter of the preservation of the quality of our environment.

● (1650)

We in Canada are fortunate to be one of those countries which by and large has a clean environment that must be preserved. Yet this clean environment, particularly as it affects our waterways, is being placed in jeopardy almost on a daily basis as municipalities attempt to deal with their sewage disposal problems more often than not in not very creative ways, limited by the amount of funding that is available to them, and as a consequence placing many of our streams, rivers and coastal areas in jeopardy.

I should like to take this opportunity to use as an example the city of Kamloops which is in my riding. It is a city with a population of about 65,000 people. It has traditionally used a sewage lagoon method to treat sewage and then drain the essentially treated effluent into the river system. As the population has increased so rapidly over the past few years with growth rates in excess of 10 per cent, the present system reached its capacity in 1976. With major heavy industrial developments being proposed over the next year or two, we can see a greater and greater strain being placed on our river system, especially the ecology of that very sensitive system.

It is clear that to continue this way would be tantamount to catastrophe in terms of the delicate ecological base of our river system. The cost for an improvement of that system ranges somewhere in the neighbourhood of between $20 million and $90 million for a municipality of 65,000 votes. I suggest that that is placing an unrealistic responsibility on that municipality. I simply use it as an example because the same could be applied to municipalities, large and small, across the country. The $20 million cost would be the cheapest solution, and that is a continuation of the status quo; $90 million would provide an efficient and effective long-term solution which would take the effluent from that city and deposit it, using a land disposal method.

Of course, one of the major problems is not so much the polluting of the river system per se, but the fact that the Thompson River, a tributary of the Fraser River in British Columbia, perhaps is one of the most productive salmon fishery rivers in Canada. Not only is it a system that is part of the salmon migratory route, but it also has very crucial and important salmon spawning grounds. Therefore, it is crucial not only to the salmon industry of the Thompson and Fraser Rivers, but the Gulf of Georgia and indeed the Pacific Ocean itself. We are looking here at a renewable resource in excess of $300 million for the salmon fishery alone. I feel it is something that we must recognize. It is an area where the federal government, through its funding agencies, could play a very significant leadership role in providing the much needed relief.

In closing, may I say that I am very encouraged by the remarks of the previous speakers this afternoon. I am very pleased to see that so much work has gone into a bill in terms of identifying many of its shortcomings. I am optimistic, with proposals like those regarding the reinstatement of tri-level conferences, that perhaps this is a small step, a beginning, toward the leadership role so dearly required at this time.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, second reading was devised to deal with the principle of a bill. I plan to deal with the principle of this bill in so far as it affects penitentiaries, Indian reservations and national parks, at least one of each being in my constituency.

In connection with the penitentiary, there is no difficulty in regard to the assessment because it is in a municipality. However, when the Drumheller penitentiary was built, the city council was so anxious to have the penitentiary situated there that it gave the federal government a special deal in regard to water rates. As a result, the people of the city of Drumheller subsidized the federal government for a number of years. That situation has been corrected partially, but I hope this bill will enable the minister to ensure that the federal government pays its own way in regard to the penitentiary and that it not be subsidized by the citizens of Drumheller.

In connection with Indian reservations, I am a little more concerned because of the fact that there is no assessment and possibly no appraised value in the general sense of the word. I hope this bill will not be a means of passing money from one department to another department or out of one pocket into another pocket. I hope the bill will benefit the actual people on the reserves because our Indian band councils and the Indian people on the reserves certainly need some help if they are to help themselves.

In connection with national parks, we have no municipalities in many of our national parks. I would like the assurance from the minister that the money will not be passed from one department to another department, but that it will actually benefit the people who live in the town sites in our national parks.

The fairness and equity of the bill will be shown, in so far as it affects the people of an area, in equalizing taxation and bringing about fairness through taxation. I hope in the case of the Drumheller penitentiary that some provision will be made to help compensate for the large amount of money the people of Drumheller subsidized the penitentiary by in the early years of that institution. They say the proof of the pudding is in the eating. I think the proof of this bill will be in the regulations and the administration of it. I hope the objective will be to provide fairness to the people who have been paying the bill so far.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I welcome the opportunity of saying a few words at this time on this bill. It is a very important bill as far as the municipalities are concerned. In view of the comments made by my colleague, the hon. member for Bow River (Mr. Taylor), I want to bring to the attention of the House that where government establishments are placed in rural communities, that is in counties or in rural municipalities, we find the rural area is subsidizing that establishment to the differential which will exist between the assessed taxes on the land around it and the taxes being paid by the federal government.

The hon. member for Bow River mentioned that the citizens of Drumheller were subsidizing the penitentiary there. No doubt the citizens of Drumheller will derive certain benefits as a result of the placement of that penitentiary within its boundary. But what about the establishment that is placed in the central area within a county or a rural municipality, such as the Bowden penitentiary, where the county itself will not derive any benefit whatsoever? Certainly the towns within that vicinity, where people will live and buy their necessities of life, will derive that benefit. But there is no recurring benefit to the rural municipality. Therefore, I think it behoves the government to ensure that the tax paid by the government establishment coincides with the tax any other business would pay.

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

PROCEEDINGS ON ADJOURNMENT MOTION

● (1700)

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Energy—Alleged inadequate responses of minister; the hon. member for Hillsborough (Mr. McMillan)—Regional Economic Expansion—Relocation of DVA site in Charlottetown; the hon. member for Prince Albert (Mr. Hovdebo)—Transport—Crowsnest Pass freight rates—Government position.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

FEDERAL COURT ACT

PRODUCTION OF DOCUMENTS IN ACTION INVOLVING CROWN

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-202, to amend the Federal Court Act (disclosure of documents), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I wish to make only a few comments with regard to my bill, which seeks to amend the Federal Court Act by deleting subsection (2) of section 41 of the said act.

Over the last few months, as you, Mr. Speaker, and hon. members of the House know, we have been very much preoccupied with the debate which would lead us to greater freedom of information in this country. Indeed, the former government had a bill before the House which was initiated and sponsored mainly by our former colleague, the former hon. member for Peace River.

The term "freedom of information" is to be defined as meaning information held by government and kept secret; in other words, information that is not available to private citizens.

All of us agree that excessive government secrecy is in no way consistent with the most basic rights and fundamental principles of a society such as we espouse ours to be. The private individual does not like his or her government to keep information about him or her which could later on affect him or her in his or her career, relationships with government or, indeed, relationship with friends and neighbours. I will have something to say a little later by way of giving some practical examples of how excessive secrecy can affect individuals in our society.

Information selectively released by a government can, and I am sure has in the past—perhaps not deliberately—frustrate the orderly process of elections, and it certainly has from time to time influenced the judgment of voters when a government has had certain information that was not available to all the electors and has chosen to release that information selectively.

My bill, C-202, speaks of a different kind of secrecy or executive privilege, namely, information which is held by the government and may be withheld from the courts, or from the judiciary, under section 41(2) of the Federal Court Act.

I am a layman, not a lawyer, and at times I consider myself fortunate in not having had any legal training. In the words of a very renowned law professor, that might have sharpened my mind to the point where it would be so narrow I would not be able to comprehend what goes on in the rest of the world around me. Why should I as a layman raise this matter when over half of our friends and colleagues in the House of Commons are lawyers? I have pondered this question from time to time. Nevertheless, I am taking the initiative in raising this matter in the form of a private member's bill and I will give my reasons.

I have been startled as I progressed with my research by the fact that so little attention was paid to this bill when it was introduced in the House of Commons. Government members dealt with it rather flippantly, and I must say that my learned friends on this side of the House in the opposition as well paid very little attention to it. The debate was very short and very reserved. In fact, when the bill got to committee there was no great outcry from members of the legal profession that section 41(2) of the Federal Court Act could in some way seriously restrict the rights and freedoms of individuals in our society.

The Federal Court Act received Royal Assent on December 3, 1970 and came into force on June 1, 1971. Generally section 41(1) provides that if a minister certifies to a court that a document should not be released on grounds of public interest, the court may still examine the document and order its release. Subsection (2), however, gives the minister absolute right to refuse disclosure of documents which he certifies would be injurious to international relations, national defence or security, federal-provincial relations, or confidences of the Privy Council, without any examination by the court.

This is a provision in our Federal Court Act which is unique in the western world. There is not another country in the western world that has built this kind of a privilege into a federal court act. Let me quote section 41 with its two subsections. It is short and this will not take too much time. It states:

41. (1) Subject to the provisions of any other act and to subsection (2), when a minister of the Crown certifies to any court by affidavit that a document belongs to a class or contains information which on grounds of a public interest specified in the affidavit should be withheld from production and discovery, the court may examine the document and order its production and discovery to the parties, subject to such restrictions or conditions as it deems appropriate, if it concludes in the circumstances of the case that the public interest in the proper administration of justice outweighs in importance the public interest specified in the affidavit.

In other words, sir, if a minister or the cabinet decides that a certain document which has been subpoenaed by the court may be injurious to those things, the minister may sign an affidavit, give it to the judge, explain his reasons, and the judge could, and most often does, concur and keep the document secret.

Incidentally, the debate in 1970 centred on this business of federal-provincial relations. Why should the federal government have any secrets about its relationships with the provinces? That was the only thing that seemed to offend our learned friends who participated in the debate at that time. In any case, because of the very unique position the Federal Court has in a democracy, or in a system such as ours, it can make that decision, and the only other person who would know about the contents of that document would, of course, be the judge.

Subsection (2), which was inserted in 1970 and which became law in 1972, states:

(2) When a minister of the Crown certifies to any court by affidavit that the production or discovery of a document or its contents would be injurious to international relations, national defence or security, or to federal-provincial relations, or that it would disclose a confidence of the Queen's Privy Council for Canada, discovery and production shall be refused without any examination of the document by the court.

Subsection (2) clearly introduces an entirely new dimension to the relationship between the judiciary and the government, and the judiciary and Parliament. I suggest that this new dimension is extremely and exceedingly dangerous, particularly since it is so open to abuse. It raises suspicion. Too much secrecy always raises suspicion and gives an indication that someone has something to hide. Indeed, I would like to think that we are coming to the end of the era in which the order of the day was secrecy and in which there was a paranoia throughout the land about subversive elements threatening the orderly enforcement of law and the integrity of our system from within.

● (1710)

There is no doubt that much of the feeling of alienation from the truth is now finding expression in terms of separatism and dissent and that events around us in the last few days and which will culminate today in fact are very much attributable to the stubborn, aloof and secretive attitude of the Trudeau government since 1968. In the last few days we have been reaping the harvest of the seeds of suspicion which were sown in the era of the 1970s.

Even though members of the law profession did not speak out when this bill was first introduced and when changes were made and subsection (2) was added to the Federal Court Act, others have. I am drawing on a reference made by one Justice Deschênes who, as hon. members know, heard the case of the two young ladies who were wrongfully dismissed from the Olympic committee during the 1976 Olympics in Quebec. Judge Deschênes had this to say:

Indeed, it is one of the strange contradictions of the Federal Court Act that an act which generally gives the courts greater authority over the excutive branch of government, should at the time show a lack of faith in the integrity of the courts to responsibly adjudicate in all cases on claims of Crown privilege and protect the genuine security interests of the state.

Justice McDonald, who is chief commissioner of the McDonald commission, had similar reservations about section 41(2). He questioned how he could discharge his responsibility if ministers of the Crown forbade him access to important documents which were obviously required by the commission before it could make a judgment with respect to the relationship between the individual, our society and the law.

Let me give a couple of examples of how individuals can be affected by this particular section of the Federal Court Act. I would like to refer briefly to the case of one Walter Rudnicki. This is not the first time that I have mentioned Mr. Rudnicki in the House or the problems he experienced in connection with his dealings with cabinet and which ended up in court. Again it was a case of wrongful dismissal. Mr. Rudnicki eventually won the court action, but the reasons for his dismissal were never made public. I suppose only Mr. Rudnicki, a couple of my colleagues and a number of ministers of the Crown and I know why Mr. Rudnicki was actually fired from the public service. Mr. Rudnicki's name was included on a list of names which was termed "extra-parliamentary opposition". It was a list of people who were considered subversive to our system and who were plotting to replace our represent political system with radical alternatives.

Anyone who knows Mr. Rudnicki or any of the other 21 names mentioned on that list would know that it was just so much nonsense. In fact, Mr. Rudnicki may have been in extra-parliamentary opposition to the then Liberal government, but he was certainly a visible supporter of Her Majesty's loyal opposition. In no way was Mr. Rudnicki planning to replace this system of government with any radical alternatives. Nevertheless, his name was included in this list which a

former solicitor general chose to circulate to senior public servants and his colleagues as a means of warning them about Mr. Rudnicki and his tendencies.

As a result Mr. Rudnicki was fired. How was he to clear his name? I have attempted in this House to clear his name and to help him with his plight. I would like to read a short reference to what happened in the House on May 24, 1977. I said:

—during the question period, the term "extra-parliamentary opposition" was first introduced into the records of the House. The then minister of state for urban affairs was questioned about the existence of a blacklist connected with this term. He asserted that the blacklist charge was very serious. Fortunately though, he added, it was without foundation.

On January 24, 1977, I questioned the Prime Minister . . . about the list. He responded by saying, "I have not the slightest idea what the hon. member is talking about". The very next day the Minister of Transport . . . said he had never heard or seen such a list. The President of the Privy Council . . . also pleaded total ignorance. On January 26 the Solicitor General . . . said no such thing existed, nor did it ever exist.

The reason I had asked all these people in succession was because the bottom of the list had indicated that they were the people who were receiving the list when it was first circulated. So all these people knew and, of course, the House knows as well, that the list did exist, that is was not only circulated to those ministers and the Prime Minister and discussed in the cabinet committee on security and intelligence, but that there were literally dozens of lists like it which were not only circulated within the cabinet but within certain departments among senior public servants and which were also given to foreign countries to add to their records on subversives.

How was Rudnicki ever to clear his name? First he would need the money for a lawyer who would then be required to subpoena certain documents and ministers of the Crown to appear in court to show indeed that there was such a list, that his name was on it and that that was the reason for which he was dismissed from the public service.

Of course, there are literally hundreds of such cases to which one could make direct reference. Another such case is that of one Ursula Najder. She fell victim to another secret practice which relates to security clearance of persons who apply for positions in the public service and in some cases in the private sector as well. I would like to quote from a page of a secret document which deals with the practice of security clearance:

Authorities concerned should be aware of the fact that there are certain categories of persons which are not normally clearable, at least beyond the level of CONFIDENTIAL, not because of doubts as to loyalty or reliability but because of circumstances such as:

1.1 close relatives living within the borders of such foreign nations as may cause him to be subjected to intolerable pressures; or

1.2 recent residence (within the past ten years) in foreign countries where no check of activities is possible.

In the case of Ursula Najder, she is a Canadian by birth, but her parents came to Canada from Poland. Ursula Najder still had an aunt in Poland which she had met, I believe, twice in her life. Because she had an aunt in a country in which Canada cannot carry out normal security checks, Ursula Najder, and probably 25 per cent of all Canadians who came from parts of the world where security checks cannot be made, was denied a job with the public service, to which she was entitled.

● (1720)

It goes further because one can be with a firm that has a contract with the federal government having to do with procurement of armaments or whatever. In other words, where a certian degree of secrecy and confidentiality is required. Ursula Najder could not get a job at that private company because the same kind of security clearance applied. How is she to fight for her rights if an effort that she might make before a court could be frustrated simply by the fact that a minister's statement says that a document which she might need to state her case is not available to the court because it is injurious to cabinet secrecy, federal-provincial relations or whatever?

At the outset I said that there appears to be a general inclination to move toward greater freedom of information. It is clear to me that it is essential and necessary—

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

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I am pleased indeed to have the opportunity of speaking on Bill C-202, to amend the Federal Court Act. I think the hon. member for Prince George-Peace River (Mr. Oberle) has brought forth a very timely bill before this House of Commons, one whose substance has been talked about for a considerable period of time. I am disappointed that he could suggest, maybe inadvertently or otherwise, that there are too many lawyers in the House of Commons and none saw fit to bring this bill forward. However, I might point out to him that many lawyers have been working on this problem for a considerable length of time, and as the hon. member knows, because he has looked at the statutes and the cases, there is a great deal of case law on it at the present time which supports something that goes a great deal further than what he has mentioned here in the House today.

This bill proposes to amend section 41 of the Federal Court Act so as to leave with the courts exclusive authority to decide whether documents ought or ought not to be disclosed in the course of litigation when objection is taken to their production on grounds of protecting the interests of the state.

The present provisions of section 41 formed part of the original Federal Court Act enacted in 1970 and were intended to reflect the results of judicial decisions up to that time on so-called Crown privilege. Those decisions made it clear that the judiciary were to be the final arbiters of the public interests involved: that is to say, the courts were able to look at the documents objected to and determine whether the public interest favouring the proper administration of justice on behalf of the litigants was or was not outweighed by the public interest in favour of the interest of the state. This formulation of principle was translated into section 41(1) of the Federal Court Act, as the hon. member knows.

However, those cases also indicated that this general principle perhaps had no application to extremely important state documents dealing with such matters as international relations, matters of defence, cabinet matters and communications between ministers and senior civil servants. The absolute exclusion of documents falling into any of these classes of highly sensitive state information was provided for by section 42(2) of the Federal Court Act, which was read into the record by the hon. member.

In the past few years, subsection (2) in particular has received a good deal of criticism, and rightfully so. One criticism is that the courts are well equipped to balance the public interests at stake and have a traditional role in doing so. The mere fact that the Crown may, on occasion, consider that some documents are more sensitive does not mean that this role should be removed entirely from the judiciary. Adding substance to this criticism is the fact that under these provisions a minister of the Crown is able to deny the courts any authority to look at the documents in issue.

These criticisms have been given additional weight by virtue of recent decisions of the highest courts of the land in Great Britain, the United States and Australia, to name only three countries, which have confirmed that the courts in all cases—and I am sure the hon. member for Saskatoon West (Mr. Hnatyshyn) will be glad to hear this—have the power to examine the documents objected to and to balance the public interests at stake.

At the same time, a good deal of thought and attention was being paid to proposals for freedom of information legislation. While the importance of disclosure is far more important in the case of Crown privilege, access to government documents by members of the public is essential to both. It is not surprising to find that the Standing Joint Committee on Regulations and other Statutory Instruments, of which I was a member along with the hon. member for Saskatoon West, agreed unanimously in its report in June, 1978, that:

> Your committee finds that section 41(2) (of the Federal Court Act) is inconsistent with the principles to be established in a freedom of information statute and therefore recommends that it be repealed.

This more comprehensive approach to dealing with section 41 of the Federal Court Act seems to me to be the wiser course to take and is the one that the government has proposed. In the Speech from the Throne it is stated:

> Members of Parliament, whatever their party, agree on the need to guarantee to Canadians greater access to information of concern to them. Freedom of information legislation will be introduced to provide wide access to government documents. The right accorded to ministers to withold government documents from courts of law under section 41(2) of the Federal Court Act will be repealed.

I note that in the statement in the Speech from the Throne it may be considered an inconsistency that it refers only to documents, whereas the present section 41(2) of the Federal Court Act refers to documents or a document or its contents. This may be semantics to some extent, but on the other hand it could be rather important.

I note once again that the member from Saskatoon West referred to a question on section 41 in the House of Commons recently. I do not know whether he was referring to that specific aspect of it, but it could be important. Also when one takes a look at section 41(2) of the Federal Court Act, which refers to discovery and production, there is quite a difference between discovery and production in the context of a document or its contents. I merely point that out for hon. members.

As for the substance of the bill now before the House, I believe there are a number of matters which bear comment. First of all, the bill confines itself to disclosure of documents. However, Crown privilege extends to all forms of evidence and, consequently, the bill would retain a limitation already present in section 41. It is for that reason that the proposals in the freedom of information bill of the last Parliament, of which the hon. member who presented this bill was a member, replaced the word "document" with the more general term "information". I think this may be considered very important, particularly since, as I mentioned before, section 41(2) of the Federal Court Act refers to a document or its contents, and now we are talking about a document or information. So this too is an important aspect to be considered.

Secondly, the bill applies only to court actions. The production and discovery of information is, of course, not confined to courts, and in fact there are decisions on the basis of the word "*tribunal*", which is the term in the French version of section 41, which have held that this provision applies to administrative bodies acting quasi-judicially in the exercise of their power to compel the production of documents. It is because of the doubts and confusion that surround the reference to "court" alone in section 41 that the proposals in the freedom of information bill would use wider language encompassing not only courts but as well all bodies having the power to compel the production of the sort of government information that may require protection from disclosure on the ground of state interest.

Thirdly, the bill would retain the classes of documents listed in section 41(2), which the hon. member and I have read into the record. These have raised so many objections in the past that they must be addressed at this time. It is true that the bill would permit a court to examine the documents in question, but by distinguishing between these special classes of documents and any other public interest of the state, the bill may well be perceived as attempting to make a basic qualitative distinction between the two and unnecessarily favouring documents in the list of classes. It certainly might be suggested that such a distinction would create non-confidence in the courts to recognize the special importance of certain kinds of government information. If the courts of other common law jurisdictions have been able to handle these classes of information without the benefit of special legislation in their favour, it may be asked whether this aspect of the bill is really necessary.

● (1730)

Fourthly, some very real procedural difficulties are ignored in the bill. If, as the case law on section 41 now holds, "court" includes tribunals exercising quasi-judicial powers, it may be asked whether the members of such bodies should have the

same powers as the courts to examine such potentially sensitive and injurious information. The same question may be asked about the courts themselves; should a justice of the peace or provincial court judge or magistrate be entrusted with the same powers here as, for example, a superior court judge?

We do not have time to go into all the details and ramifications of that, but it is a serious and important question to be asked, whether in a very simple case before a minor court official such as a justice of the peace or junior magistrate, one should be bringing forth a matter so important that in the past it was considered a matter to be addressed to a supreme court judge.

Whatever the answers to these questions may be, there is also the problem of what procedure ought to be followed if, for example, the trial court or the tribunal orders production. Should not the Crown have the right to pursue the matter on appeal before the document has been disclosed to the parties and to the public thereby nullifying the practical effects of an appeal and, more important, making public some possibly very sensitive information? The bill says nothing about this critical procedural issue.

I would suggest to the hon. member that he might look at this when he is doing further research.

Fifthly, clause 41(1) of the bill appears to be an attempt to codify the rules of disclosure and discovery of documents. It has no equivalent in the present provisions of the act, and for good reason. Such a provision is usually to be found in rules of court where it is subject to a variety of exceptions and to the flexibility that matters of procedure like this must retain. In statutory form and subject only to the exception in subclause (2), this discovery and production provision may well be far more absolute than anyone, including the sponsor of the bill, would wish. For example, is subclause (1) subject to solicitor-client privilege? This is a very important matter.

When we talk about privilege, I note that the province of Newfoundland recognizes the right of religious advisers as well as the question of solicitor-client privilege between a solicitor and client. Quebec gives more extensive protection. Indeed, the code of civil procedure of Quebec grants privilege to clergymen, lawyers, notaries, physicians and dentists. I do not know how far we go in this, but so far Quebec is the only province to go quite that far. Is it subject to other privileges and exceptions in this area? Is it subject to the non-disclosure provisions in other statutes?

It seems to me that this subclause is both dangerous and unwarranted. It adds little or nothing to what the bill seeks to achieve. And it is therefore understandable why no such provision was included either in the present section 41 or in the redrafted version proposed in the freedom of information bill, Bill C-15, in the last Parliament.

In conclusion, Mr. Speaker, I would suggest, first, that there are specific aspects of the bill that require a good deal of thought, and, second, that the very limited objectives of the bill have been overtaken by events that require section 41 to be examined in the context of access to government information in general. It was no doubt in recognition of this that the previous government proposed the changes to section 41 which were contained in their freedom of information bill introduced during the last session which certainly went further than the changes proposed in this bill.

On page 31 of Bill C-15 presented by the last government, an act to extend the present laws of Canada that provide access to information under the control of the Government of Canada and to amend the Canada Evidence Act, the Federal Court Act and the Statutory Instruments Act, clause 70 reads:

> Section 41 of the Federal Court Act is repealed.

I note the hon. member does not go that far. This indicates to me he intends to retain section 41(1) and only remove subsection (2) of section 41 of the Federal Court Act. When we look at it from that point of view, it seems that he is not following the present law as enunciated by most of the courts of jurisdiction in the number of countries that I mentioned, and others as well. It certainly does not follow the suggestions made in the Speech from the Throne that I mentioned previously. I am sure it does not comply with the suggestions made by the hon. member's own party.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy to be able to say a few words on this bill. At first glance this is a bill which is designed to increase the access of citizens to government information. It is a freedom of information bill, one of a long and honourable series of attempts in this House to open the doors to government files, to shed some light on the information at the government's disposal.

Seen simply as a freedom of information bill, I must say that I and my party are sympathetic to the hon. member for Prince George-Peace River (Mr. Oberle) and his intentions. If he is joining the long fight to create a right of access for the citizens who pay for government information in the first place, then I congratulate him for joining a most worthy cause, and I welcome him to make further efforts in this direction.

I am happy to point out that the first freedom of information legislation to be introduced to this House was also a private member's bill, brought forward by the New Democratic Party member Barry Mather from New Westminster, in 1965. The torch was thrown to the former hon. member for Peace River, Mr. Baldwin, who kept the issue alive through many years, culminating finally in the introduction of a government bill last year, Bill C-15.

I wish to remind this House that the NDP supported Bill C-15 last November 29, and agreed to a speedy second reading so that the bill could quickly go to committee for further study. We had many reservations about the details of the bill. The exemptions were drafted too broadly, for example, and needed to be tightened up. My colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell), said that you could drive a truck through some of the loopholes in Bill C-15 and that this must be rectified. But we supported the principle nevertheless, and that is why I congratulate the hon. member for his sentiments in introducing a bill along the same general lines.

I well remember that night in the House of Commons during the first session of Parliament that I had the privilege to attend. For me it was one of the highlights of that session. It was an exciting moment when the then hon. member for Peace River demonstrated to me and a lot of other new members the force of a member who has an idea and the willingness and perseverance to follow it through. On that occasion he spoke eloquently about his fight in this matter and stated that that probably was the last piece of legislation with which he would be involved. That, historically, proved correct as the House came down within a matter of days.

We believe that any move which will foster the exposure of the truth in society is beneficial. Whether we are are defending a free press, free speech, or free access to government information, we are defending the cause of truth. In this particular area, my experience living and working in many other countries makes me realize that this is one of the key issues involving the whole question of a person's rights. Truth, simply put, makes people free, if it is truth total and whole. However, when legislation, whatever kind it may be, is used in such a way to hold back total and complete truth, instead of making people free what happens is that they become slaves, and the power that is given over the those in charge takes away the freedom of individuals. I have seen that happen.

The legislation proposed in Bill C-202 before the House this afternoon is not exactly what we had in mind for freedom of information legislation for this country. The bill attempts to do through the back door what Bill C-15 would have done through the front door. It is half a step toward freedom of information. Actually it is less than half a step. And for that reason I have my doubts about the bill. We believe that the issues should be faced squarely in a separate freedom of information act, not in an amendment to the Federal Court Act. We expect the new government to honour its commitment given in the throne speech to introduce a freedom of information bill in this session. I am surprised that it has not been introduced already. I do expect it soon. At that time we can get down to the serious business of working out the precise wording of the new law. I am sure that all parties welcome the chance to pick up where we left off last fall.

● (1740)

Part of the new legislation will have to deal with section 41 of the Federal Court Act. There is no doubt that section 41 needs to be changed. At present it is an unwarranted hindrance to the rights of litigators. It is an affront to our belief that citizens should have access to government information with only the narrowest of exceptions. But to amend section 41 right now in the absence of a comprehensive freedom of information act makes no sense. It is not just litigators who should have a right to access but all citizens regardless of the purpose for which they would use the information sought. An amendment such as the one proposed in the bill before us is more likely to hinder full freedom of information than to help it, and for that reason I doubt the wisdom of introducing it at this time.

Bill C-15 of last year simply repealed section 41 of the Federal Court Act. No section was to be substituted, it was just scratched. I like this approach. Once the rights of all citizens are decided in a freedom of information act, then the rights of litigators before the Federal Court fall into place. This is fair and just, and I support the approach taken by Bill C-15 in this regard.

Mr. Robinson (Etobicoke-Lakeshore): Would the hon. member accept a question? He states quite categorically that in Bill C-15 which was being presented by the former government, section 41 of the Federal Court Act would be repealed. But has he looked at the rest of the bill to determine whether some aspects of that section creep back into the bill through the back door?

Mr. Ogle: I believe that is possible and that the section will creep back in. But I think a serious study of the bill in committee by all parties with an open mind would ensure proper handling of that kind of thing. The hon. member's former colleague from Peace River, Mr. Baldwin, proposed a slightly different approach to section 41. But he, too, would have made a freedom of information act paramount.

The hon. member's proposal would put the courts in a difficult spot. In every case they would become embroiled in substantive questions of freedom of information law and procedure. This would slow down the court process and confuse the issues. We say that the question of what government documents a citizen should get is a prior question which should be decided by an over-all freedom of information act, not on an individual basis in the course of each trial.

In some other respects, I disagree with the approach taken by the bill before the House. For example, in subclause (2)(b) the words "national security" appear. What is meant by national security? I could speak at length about that particular phraseology as it is understood in some other countries where everything that happens finally comes under some form of national security, and human rights of all kinds disappear as this notion of national security is interpreted by those in charge of law making and the courts. I am sure these words will be used as a pretext by government and the courts for withholding all sorts of information which should rightly be in the public domain.

The danger of using words such as "national security" has been clearly set out by Professor Murray Rankin in a paper entitled "Freedom of Information in Canada; Will The Doors Stay Shut?" I agree that the words "national security" should not be used; a tighter definition must be presented which will safeguard the public's right to know. That is what I and my party stand for—a complete freedom of information act which will guarantee truth for all at all times.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my intervention in this debate will be brief. I listened with interest to participation by the sponsor of the bill, the hon. member for Prince George-Peace River (Mr. Oberle), and to the response of the parliamentary secretary which, frankly, raised some

question in my mind with respect to the government's intention with regard to its commitments made in the Speech from the Throne.

I commend the hon. member for Saskatoon East (Mr. Ogle), that great centre of all good, truth and justice, for his comments and his support for the principle of freedom of information. The hon. member referred to the fact that he had lived in a number of countries around the world where information of any sort is hard to come by. He has experienced at first hand some political regimes in which there is denial of the right of individual citizens to obtain information from government. I am sure it was by inadvertance that the hon. member omitted to tell us that he now resides in the province of Saskatchewan. We know the position which has been taken by the provincial government of that province when requested to bring in freedom of information legislation. They unanimously refused to follow that course of action. So I am sure he and I will work together in Saskatoon to prevail upon the provincial government, the NDP government there, to bring in freedom of information legislation, because they are among the last hold-outs in terms of such legislation in Canada. The policy of the government there is against the concept of freedom of information. So I look forward to joining arms with the hon. member and facing the challenge of bringing truth, justice and right thinking to the government of Saskatchewan in this area. I know I will have his unqualified support.

My reason for entering this debate, though, is the response given by the parliamentary secretary with respect to the particular initiative upon which I commend my hon. friend. The fact is, he has been vigilant and insistent in his support of the principle of freedom of information. He has been trying to bring about amendments to the Federal Court Act, to section 41 and to section 41(2) in particular.

When we recall the wording of the Speech from the Throne we are reminded there was a paragraph in part four about strengthening national institutions. I want to quote from that particular section of the speech in which the government, through the Governor General, stated that "the right accorded to ministers to withhold government documents from courts of law under section 41(2) of the Federal Court Act will be removed." As I understand it, that was an unqualified commitment on the part of the government. However, I got the impression from the parliamentary secretary that a different approach might now be taken and that perhaps a reversal of that position might be expected—that rather than removing this right from ministers the government is considering amending the provisions of section 41(2) because of considerations which have occurred to them subsequent to the preparation of the Speech from the Throne and that the intent of the commitment might not be followed through.

● (1750)

I hope that that is not going to be the case, and I am very interested in finding out whether we now have a departure, so soon after April 14, 1980, by this government, having regard to the fact that in the House of Commons in the course of question periods the Deputy Prime Minister (Mr. MacEachen) and, in fact, the Prime Minister (Mr. Trudeau) himself at other times, have indicated that freedom of information is the prime commitment of this government and that the operation of government is going to proceed, until that legislation is brought forward, on the basis that the principles of freedom of information will be observed. I take it impliedly that the commitment with respect to the right of ministers to withhold documents from courts will also be observed by this government.

I have raised in the House of Commons the case in which, shortly after the new government was sworn in, the Secretary of State for External Affairs (Mr. MacGuigan) invoked the provisions of this particular section to withhold documents from an inquiry in the Federal Court before Mr. Justice Gibson with respect to the policies and practices of the Canadian Dairy Commission.

What concerns me about this—and I take no issue with the idea that freedom of information and the provisions of the Federal Court Act are necessarily associated—and what I would like to find out today, is whether or not the government is in fact retreating from the commitment made in the Speech from the Throne because, if that is the case, we are going to have a battle royal in this House on the basis of one of the greatest reversals in policy on a matter of fundamental importance, that we have seen for many years in the House of Commons. I think it is unacceptable for the government now to try to change its position.

I simply make these comments, and if we want to have an indication now by the government that in fact—

Mr. Robinson (Etobicoke-Lakeshore): Mr. Speaker, I rise on a point of order. The hon. member has gone on at great length about the government's changing its position. Let me assure the hon. member that the government has not changed its position one iota from that stated in the Speech from the Throne.

The Acting Speaker (Mr. Ethier): Order, please. I would entertain a point of order, but that is mostly an argument or point of debate with the hon. gentleman.

Mr. Robinson (Etobicoke-Lakeshore): I thought he was asking me a question and wanted a reply.

Mr. Hnatyshyn: Mr. Speaker, I am not going to speak any longer on this because I trust that the parliamentary secretary is in fact stating the position here, but the legalistic explanation he gave with respect to the position of the government relating to this issue struck me as very much an explanation of a change of position and a weaseling out of a commitment which was quite unequivocal in the Speech from the Throne.

I want this matter to come to a vote so that we can find out where people stand with respect to the provisions of the Federal Court Act. I am going to conclude my remarks now, but I simply put the government on notice that if there is any intention of fiddling around or fooling around with respect to

the commitments made in the Speech from the Throne, the government will have to justify that on the floor of the House, and it is in for a very substantial opposition from this party.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member for—is it Saskatchewan East or Saskatchewan West? I am not certain. It used to be Saskatchewan-Biggar, I believe. Saskatoon, I am sorry.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I do not normally do so. I am not sensitive to the situation, but just on a question of geography, Saskatchewan is the province and Saskatoon is a city in the province. The hon. member is quite right, but it is Saskatoon West and Saskatoon East.

Mr. Daudlin: Mr. Speaker, I thank the hon. member for his lesson in geography and for having situated me in the right city which he obviously shares with the hon. member for Saskatchewan East.

Some hon. Members: Oh, oh!

Mr. Daudlin: Saskatoon East. I have done it again!

Mr. Knowles: It is too bad you fellows do not know about western Canada.

Mr. Daudlin: The hon. member for Saskatoon West (Mr. Hnatyshyn) is an able parliamentarian who has attempted in the last ten minutes to create a subterfuge and a nest from which he hopes to be able to launch an application now. He hopes to launch outside this House, and perhaps from within this House, an application in terms of trying to set up all kinds of fear and trepidation with respect to what it is the government may or may not want to do.

The intention of the government is quite clear to anyone who chooses to read the throne speech to which the hon. member for Saskatoon West refers. It states quite clearly and categorically that section 41(2) in fact is to be repealed.

What the hon. member now is attempting to create by referring to anything the parliamentary secretary has said beforehand, I suggest without trying to cast any aspersions on the hon. member's motives, is a complete subterfuge and a complete embroiling of the facts to the point where he is going to have the opportunity now to suggest that there is some basis for putting the position he tried to put in the last ten minutes.

The government has said quite clearly, quite unequivocally, and without any retraction whatsoever this afternoon by the parliamentary secretary or any other government member, in question periods or otherwise, that in fact the government intends to proceed with the freedom of information bill. I, like the hon. member for Saskatoon East (Mr. Ogle), look forward to the introduction of that bill at an early date. It is my information that in fact that will take place and that in fact the government intends to repeal—I think that is the correct word—and not remove section 41(2) without any suggestion that we are going to carry on with some other type or form of section 41(2). That, quite frankly, was the difficulty I was having with Bill C-202 this afternoon.

With a clear indication on the record through the throne speech that we are moving to repeal section 41(2), through a private members' bill we now appear to be moving not toward a repeal absolutely but, rather, a repeal with a replacement. I, as well as the hon. member for Saskatoon West, have practised before the courts, and they have the habit—indeed, the chore—after this place has created a point of legislation, to spend the next few years trying to determine what we as legislators really meant and to create what will be the law for all practical purposes once we have passed it.

I would not want—

Mr. Oberle: Mr. Speaker, I ask the hon. member for Essex-Kent (Mr. Daudlin) if he would permit a very short question.

Mr. Daudlin: Certainly.

Mr. Oberle: I would just like to ask the hon. member what he sees the difference to be between my Bill C-202 and the statement in the throne speech that the right accorded to ministers to withhold government documents from courts of law under section 41(2) of the Federal Court Act will be removed. If it is the intention to repeal, as the hon. member chooses to describe it, section 41(2) of the Federal Court Act, why does the hon. member not sit down and let us get it over with?

Mr. Daudlin: Mr. Speaker, the hon. member anticipates me. If he would just sit in his place for a moment or two, I would be very glad to show what I anticipate and what I see as the distinction between what he is doing and what the government might or might not propose to do as the matter comes forward.

Mr. Knowles: There is only one minute left.

Mr. Hnatyshyn: Question.

Mr. Daudlin: Mr. Speaker, I believe, as does the hon. member for Saskatoon East, that the intent of any freedom of information legislation is something which all hon. members in this House have already indicated, either by themselves or through their colleagues, as something we all wish and desire.

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

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

MUNICIPAL GRANT ACT, 1980

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Deputy Speaker: Order, please. When the debate was interrupted at five o'clock p.m., the motion for second reading of Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, was under consideration and the hon. member for Red Deer (Mr. Towers) had the floor.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I am sure that all members of the House will agree with me when I say that today is probably one of the major historic evenings in the history of Canada. I think I am fairly safe in saying now that the No vote will win, which will mean that there will be future talks relating to confederation.

Some hon. Members: Hear, hear!

Mr. Towers: One of the things about which we must be very cautious—and I have to caution the government on this—is that the government must be much more sensitive in the future than it has in the past because many of the problems that Canada and Canadians have had over the past several years have come as a result of an insensitive administration. You cannot ride roughshod over a people or a region, and I hope that in any talks that will be held in the future, consideration will be given to the manner in which our government will be operated on the three levels of administration.

Today the debate has to do primarily with the municipal level or the third level of administration. We must realize that this level of government is much closer to the people than either of the other two levels, and therefore I feel that consideration must be given to that body of people which operates within that sphere. I do not think the federal government has been particularly careful so far as the municipal level is concerned and so far as taxation is concerned. I recognize that the bill has to do with government institutions and, as I mentioned earlier, so far as jails are concerned those institutions take away a great deal of the tax base on which rural municipalities rely.

As I said earlier, prior to the private members' hour, taking that base away from the municipal bodies means that they have less money on which to function when the federal government does not pay its share. I also feel at this time that we should give some consideration to Crown corporations, and I would like to take a few moments to deal with one of those Crown corporations, namely, the Canadian Broadcasting Corporation. I have a notice of motion before the House. I do not know whether or not there will be an opportunity to debate it, but I would like to bring it to the attention of the House at this time. It reads as follows:

> That in the opinion of this House the government should consider the advisability of increasing the grants made to municipalities in lieu of property taxes for the use of property by Crown corporations and agencies so that these grants equal the sums paid by private organizations.

We have a case in my constituency where the CBC is in competition with two other private bodies. The private bodies have to pay the assessed rate of tax and, at the same time, in paying their taxes, they subsidize their competitor, which in this case is the CBC. Also, the CBC does not have to pay its fair share of the taxes, or an equal portion of the taxes that these other private companies have to pay. In this case, according to the assessment, the CBC should be paying $4,480.53. What are they paying? They are paying $617.92. To me, that is not justice. I took this case up with the CBC, and on November 2 of last year I sent a memo to the corporation. This is the question I asked:

> Has the CBC legislated authority to establish its corporate policy, or is it obliged to abide by rates of other radio stations in the same locality?

This is the answer I got:

> In response to your memorandum of November 2, I am pleased to forward to you, the following information.

● (2010)

> The CBC, a Crown corporation, is exempt from municipal property taxation. In 1951, the federal government decided to compensate municipalities, by way of grants in lieu of taxes, for the fact that federal government properties were exempt from taxation, but the resulting Municipal Grants Act (1951) excluded the CBC.
>
> In 1957, the board of directors of the CBC adopted a resolution to pay grants in lieu of taxes in a manner similar to the terms of the Municipal Grants Act.
>
> There is legislated authority to exempt the CBC from paying anything in lieu of taxes, but CBC policy does permit a grant on the assessed value of land, buildings and heating plant only. In accordance with the terms of the act, movable property such as the tower and equipment would be excluded from the assessment.
>
> There does not seem to be much that can be done in this situation, but I am enclosing a number of newspaper clippings from the Library of Parliament to give you some background on how similar problems have been confronted in other areas.

This communication was signed by Kay Marshall.

In these clippings from the Library of Parliament I find that this problem goes back to 1974. After six years of debate, confrontation and requests, surely the government should be able to deal with this situation and come to grips with it. I say the government must be sensitive in this particular area. I believe this is one of the main ones, primarily because of the fact that rural municipalities are deprived of the taxation base that is theirs and should be theirs, one which I think they are justified in expecting to receive, and are not. In whatever talks, debates or discussions take place in the future, I would hope that consideration is given to this so that these municipalities can have their fair share.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I suppose all of us are debating this bill on an evening when the attention of the Canadian public is directed elsewhere to momentous events which are occurring in one of our provinces. I think all of us who watched the results coming in on television were gratified with the results thus far in the referendum in the province of Quebec.

There seems to be a large commitment on behalf of the people of Quebec, at least at this stage of the proceedings, to the idea of federalism. Perhaps it is important that there be that kind of commitment. I suppose it would not be found out of favour with Mr. Speaker if I said, at this point in time, that this large commitment by the province of Quebec to federalism has its counter engagement with respect to a great commitment that is expected of the rest of Canada regarding renewed federalism. I suspect when the results come in, if the present trend holds, that the people of Quebec will be looking to the rest of Canada to ask them about what is their commitment to renewed federalism. They will be looking to the premiers who have spoken so importantly about renewed federalism. They will be looking to the members of this House of Commons who have spoken in the course of debate and talked about the importance of renewed federalism.

We must make no mistake; the results tonight are important to this country. While they are important to the country, there is a much greater period of time ahead of us in terms of perhaps constitutional change and certainly of renewed federalism that will be of far more significance in the long run to the future of Canada, and that is the relationship among the governments of this country in the years to come.

When I rise to speak for the first time this session in debate on a major bill in the House of Commons, though I have been on my feet from time to time, I must take advantage of this opportunity to congratulate Madam Speaker on her ascension to the chair. I have enjoyed working with her in the course of my duties as House leader. Also I have enjoyed working with you, Mr. Speaker. We share neighbouring ridings; we share many of the same problems. I hope Mr. Speaker will forgive me if, in the course of the debate, I quote some of your words to the government with respect to the issue before us and perhaps one other issue with which we might be dealing later on in the evening.

I am very pleased to see the Minister of Public Works (Mr. Cosgrove) in the House tonight. It is a refreshing change to have a minister of the Crown staying in the House while his or her bill is being debated. It may be because the minister got his early training in municipal politics, which is a very demanding field. I do not agree very often with the things the Prime Minister (Mr. Trudeau) does, but I think it is important that the Minister of Public Works has some municipal background.

While this bill certainly affects municipalities all across the country, it has a profound effect upon one municipality directly in this area. It is a municipality which I do not represent. In part it is represented by the hon. member for Ottawa-Vanier (Mr. Gauthier), in part by the hon. member for Ottawa West (Mr. Francis), and in part by the hon. member for Ottawa Centre (Mr. Evans), but it has a spin-off effect on the municipalities which I represent. So, it is important in that area.

I think it is rather appropriate that a former municipal politician who came to his senses and came into the relatively easy field of federal politics is piloting this bill through the House of Commons. I say that in the best of faith. I have never served in the municipal field. There are some members in this House who will say, "Thank God for that". But I served in another way when I had the privilege of practising law in this area. I acted for a large number of municipalities locally. I saw the pressures to which municipal politicians are subject, very direct pressures with respect to a minimum amount of financial clout in terms of the ability to raise the money themselves, a great dependence on the provinces, tremendous problems which have to be solved, and a very difficult job of priorizing.

This bill which will provide additional moneys to 2,000 municipalities in this country will be extremely helpful. As I say, I think this bill is important, and I think it is quite fitting that this bill should be introduced by a politician who came into public life via the municipal field.

I do not want to be partisan, because people know I am not partisan by nature. The hon. member for Ottawa-Vanier is sitting across the way. He knows me not to be a partisan person. But I must remind the House of some of the history of this legislation. When the present Minister of Justice and Minister of State for Social Development (Mr. Chrétien) was minister of finance back in the Thirtieth Parliament, a similar bill to this one was numbered C-46. That is a long way down the pecking order. It is getting close to the numbering system we use for private bills in this House. The hon. member for Ottawa-Vanier, the hon. member for Ottawa West, the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), the hon. member for Grenville-Carleton, as he then was, or the hon. member for Nepean-Carleton, as he now is, together asked question after question in the House as to when they would bring forward this legislation. Nothing happened, except that the bill was introduced. I do not believe it was even debated in the Thirtieth Parliament.

Then came the Clark government. The Clark government had as its minister of finance a man of extreme kindness, understanding and concern, the hon. member for St. John's West (Mr. Crosbie). He was prevailed upon with respect to the importance of this kind of legislation for local government, the kind of government which I described as having a great part of the burden to bear in terms of the difficult job of priorizing—priorizing the use of funds in an area of diminishing returns. As a result of the priority he put on it, lo and behold, in the Thirty-first Parliament with the Clark government that bill ascended in the pecking order and became Bill C-3.

● (2020)

I want to thank the hon. member for St. John's West for giving it that priority, because he gave some leadership in respect of the problem of the financing of municipalities. He gave some leadership to the extent that this reincarnated

government we have before us in this Thirty-second Parliament has numbered this bill C-4. That is a great improvement. It is an improvement of ten times, from C-46 to C-4. We are now debating this bill and hopefully we will see it through the second reading stage in a relatively short period so that it can be studied by the committee and eventually passed.

This is the kind of legislation which recognizes the importance of local government, and recognizes its financial inadequacies from time to time having regard to the mandate it has. Unfortunately this delay from the Thirtieth Parliament to today has caused Canadian municipalities to lose the benefit of this legislation, from the time it was first mooted as important and accepted as a commitment by the Liberal government which preceded this one. I say this to you in historical terms. It is an important piece of legislation and we are happy to see it here.

I do not have to stress to the Minister of Public Works the tremendous costs involved in providing services to government buildings, and providing services generally in communities, especially a community like the one I represent, and there are others across the country in equal shape.

When you look at the scope of the bill you see that it updates the Municipal Grants Act under which the government now pays, I think, $148 million each year in grants on federal properties located in about 2,000 municipalities. These grants will be increased by $25.5 million during a four-year phase period starting this year. The coverage is extensive. It covers such things, as far as we are concerned, as Parliament Hill, as the National Library and Archives, the National Arts Centre, the National Gallery, and the National Museum, all of which are in Ottawa. It covers a whole host of defence and other installations all across this country, from Greenwood and Shearwater on the one end and Victoria on the other end of Canada. This is truly a good piece of legislation.

I am a little bit worried about the exclusions in the bill. I say to the minister, with respect, that I am concerned about the exclusions, and the arguments put forward for excluding such things as parklands, Indian reserves, and what he described as structures, and concerned to the extent that they are excluded from this bill on the basis set forth by that magnificent and generous former minister of finance, the hon. member for St. John's West.

The grounds were, of course, that they were excluded because of the nature of the items, and because the local cost of providing services is minimal. However, to the extent that services are provided by local municipalities to these kind of installations, even those that may be described as minimal, there is a withdrawal of the ability of the federal government to contribute to the cost of local government.

I feel that while we can regard this bill as the second word, the first word having occurred some 22 years ago when the first bill came forward, I do not think we can say we have reached the end of the road in terms of the generosity of the federal government. We should regard this bill as the second word in respect of municipal grants legislation, but we anticipate as we go ahead that we will hear the third word, which will involve greater coverage of these structures; jetties, canal locks, aircraft runways, and a number of other things which do impact upon the finances that a municipality has to carry out its mandate.

There are some who say the national capital is a very fortunate area, and I think it is really quite a fortunate part of Canada. Those of us who live in it are grateful, quite frankly, for the fact that it is such a fortunate part of Canada. This is a unique city. The city of Ottawa, the national capital area generally, is unique because it is the national capital. As a national capital it has to exhibit some of the nation. The nation is not all government; there is industrial and business development that ought to be encouraged in the national capital area.

It is a fact, and I think you know this, Mr. Speaker, that this bill will go a long way to ameliorate the differential in municipal tax rates which has been in place for some period of time. There has been some difficulty in attracting to Ottawa some of the diversification potential that must occur if this city is not only to be a microcosm of Canada, as Mr. Danson once described it, or what it should be on the one hand, and an area that provides a variety of employment for young people, on the other hand.

As a result of this differential that has existed, there has been a great tendency to rely on the federal government as the sole employer. I know there is high technology industry developing here. This bill will make it attractive to other people to come here because the tax differential will be right and we can do some work on direct air connection to Chicago, New York and Boston, and a few other things such as that which would not cost the federal government any money. We can perhaps consider at some stage upgrading the Ottawa International Airport. The Minister of Public Works might consider that as being helpful in enhancing this place as the national capital.

By and large this bill in terms of its area of potential is important for local government. Some people in local government say it is not enough. I would be inclined to agree that anyone who represents an area that is getting the benefit would say it is not enough, but it is a good beginning. I think the minister should be commended for bringing it forward once again and for giving it such high priority. It is something that the commercial and industrial corporations in the Ottawa area, the Board of Trade, the Nepean Chamber of Commerce, the Regional Municipality of Ottawa-Carleton and others have been seeking for some considerable time.

There is a hang-up about this legislation, and that is the term "business tax". Members have spoken about it, and I think we are hung up on the language. If it were called anything else but business tax this government and the experts of the Department of Finance, some of whom are here tonight, might be able to take a different view of it. I would hope they could, and I am looking to them and entreating them to take a different view.

There are services that are provided by a municipality which are not covered by the general tax rate levied against the property. There are, in fact, even departments of government

which, under some examination, might be deemed to be carrying on a business. Certainly Crown corporations do, and there is a differential in regard to businesses being carried on by the government through Crown corporations and those in the private sector, as some hon. members have shown.

If the federal government is going to carry its full load, then we have to look at the operations of departments. If there is a hang-up in government in considering a contribution toward what would otherwise be called "business tax", in order that it is carrying its full load in all municipalities, not just this one, then let us take a look at some other semantic. Let us not be hung up on that phrase "business tax", so that we will be considering increasing the contribution to the municipal good will as a result of the service which must be supplied to government and which government should pay for just like everyone else.

● (2030)

I hope that at the committee stage of this bill the municipal leaders and organizations in Canada will be called by the committee to come and review the bill. I do not think that consideration should be long, but I do think that Parliament should have the best advice it can get from the people who deal with the municipal problems, to see whether any of the matters which were discussed and which were important at an earlier stage have changed and whether there are not new considerations involved of a different nature. In this way the government will know the general feeling with respect to this bill, and when it contemplates further legislation, that further legislation will be as up to date as the public purse will allow, and the municipalities will have the benefit of the government carrying the freight.

I would like to talk for a moment about the good fortune which I feel and which every person who lives in this area feels because of the presence of the federal government in the area. Not only is it a place for employment, but the federal government, through the auspices and good will of the people of Canada, has contributed a great deal to the development of this city and the area.

I have never met a group which has come to visit Ottawa and the Parliament Buildings to which I have not expressed my thanks as a resident of the area. These are the people who foot the bill to a great extent for what we as residents have here and what members of Parliament who come to this city enjoy. It is a city of amenities, the likes of which are provided nowhere else. On either side of the Ottawa River these amenities can be found. There is the tremendous parkway system on the Ontario side and the magnificent Gatineau Park on the Quebec side. These developments did not come out of the federal government alone. They were contributed to by the taxpayers from across this country.

The Minister of Public Works has a tremendous responsibility, as the minister who answers in this House of Commons for the National Capital Commission, to continue the work which was begun with the planning of Mr. Greber. Prime ministers have also shown an interest in the national capital area. The prime minister who took perhaps the greatest interest at the outset was Mackenzie King. That interest has been taken up by successive prime ministers who were interested in the development of a national capital. The Right Hon. John Diefenbaker during his government in 1958 brought in the National Capital Commission Act. This is a fact which none of us should forget. It declared the area on both sides of the Ottawa River to be the national capital region.

The British North America Act was not changed, the area was simply declared as the national capital region. As a result of this declaration the government was in a position to make tremendous contributions to the development of a system of amenities on this and the other side of the river which all of us enjoy. I hope the Minister of Public Works will consider, in his capacity as chairman of the National Capital Commission, that while there seems to be fairly good co-operation between the local government and the federal government agencies at the staff level, somehow or other at the policy level the consultative atmosphere is not as good as it should be. I do not know where to assess the blame, nor do I think that it is the job of any of us to assess the blame, but it is a fact which exists.

It would be in the best interests of the federal government, of the local government, and in the best interests of planning, development, and the future of the national capital, if the minister gave earnest consideration to a proposal which was first put forward by a member from our side, Mrs. Jean Pigott, when she was the member for Ottawa-Carleton, with regard to membership on the National Capital Commission of the chairmen of the two regional municipalities on either side of the river. Whether we are talking about the development of a tax policy, a sharing policy, or whatever it is, those people from across this country who are commissioners would have the advice of those local people. I hope that this idea will be considered.

There is a tremendous regulatory process in this piece of legislation, as there is in every piece of legislation that seems to be brought forward by successive governments. I hope, as regulations are made, as new regulations are promulgated to replace those that are made, and as the process goes on, that before regulations take effect they will be published in *The Canada Gazette* in advance for the benefit of those groups, associations, municipal governments and others which will be affected.

However, well meaning public servants may be, however well meaning ministries or ministers may be, slips can happen and misjudgments can be made. It serves the process well if, before a regulation takes effect, the government will publish it well in advance. This would be very helpful in the development of the process. There are tremendous areas of land to be developed. The hon. member for Ottawa-Vanier mentioned LeBreton Flats with regard to the development and what might be done with the funding that would be available to the local municipality. I have some views, as I am sure you do, Mr. Speaker, on LeBreton Flats with regard to the use of that land. There will be differences of opinion, both locally and federally.

The hon. member for Ottawa-Vanier also mentioned the development of Fournier Park in Hull and the Woodroffe demonstration project in our own area. There have been great negotiations between the federal government and the local government on this project. The federal government was represented by CMHC. The matter now seems to be in trouble. There is even some talk that the land will go to a private developer. I hope that that is the last thing that will happen to that property. I hope that that property stays within the public domain. To repeat it so that the minister understands my view, I hope that that property stays within the public domain, unless there is no alternative to that development. There are residents living close to that development who are counting on the land use remaining the same in terms of the future. It is a very important piece of property.

Later on we will be considering the relocation legislation. The federal government should take a look at that piece of property at the corner of Woodroffe and Baseline in terms of a federal development on that land. I suggest to the Minister of National Revenue (Mr. Rompkey), who was in the House a moment ago, that I have always felt that that property would be a good spot for a new taxation data centre. Everyone knows that the present facility for Revenue Canada at Confederation Heights is overutilized. I knew that when I was minister, and we were considering a place to put that data centre. That property is one good place which ought to be considered. Such a commitment to that valuable piece of property would be in keeping with the whole development of that area, the western parkway, and a whole host of other areas. Incidentally, it would improve the assessment base in the local municipality.

There is no job more difficult than satisfying the conflicting demands of various organizations which are put upon the Minister of Public Works, particularly in an area which is perhaps over governed in terms of levels of government. I sympathize with the minister completely. The minister has taken some of the burden off the local government sector through this piece of legislation. I wish that this legislation could have been introduced earlier, but now that it is here in the House I think that it should be supported and that it should go very quickly to committee where it can be dealt with in detail.

● (2040)

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, this is the first opportunity that I have had to participate in the deliberations of this House. I would like to preface my remarks by first congratulating Madam Speaker on her election as Speaker, and yourself and your other colleagues on your appointments.

Second, I would like to inform hon. gentlemen opposite who are displaying anxiety symptoms about post-referendum Canada that the administration and party with the courage and conviction to fight and win the referendum will display the intellect and sensitivity necessary for successful constitutional reform.

I am pleased at this time to rise in support of Bill C-4 because I endorse the principles which have shaped it, namely, the expansion of the numbers and types of federal properties which will generate grant revenue for municipalities, the redefinition of the granting formula to approximate more closely the revenues which would have been generated by taxes on those properties, the creation of guidelines for Crown corporations to make them more sensitive to the demands of their respective municipal environments, the transfer of authority for these aforementioned responsibilities to the Ministry of Public Works, the speedy implementation by the federal government of the majority of the proposed reforms within the year and all of the reforms within four years, and most important, the funnelling of more money, approximately $25 million, to a level of government whose services to all its constituents, governmental, business and residential, are as important as they are costly.

My support is not unequivocal. There are reservations. The definition of grant revenue properties may have to be expanded further. Grant rates might have to be increased and the retention of the arbitration authority by the federal government should be reinvestigated, for I believe a party to a dispute should not be permitted ultimately to settle a dispute.

These are matters of substance or content which will be properly and thoroughly reviewed by the appropriate standing committee, and should not deter any member from supporting this bill this afternoon and evening.

In conclusion, this bill has been before the House on three separate occasions within a short span of one and one-half years. Anything that can be said about it has been said. Let us not delay any longer. It deserves the speedy and unanimous support of this House.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be brief. First, I want to deal with the principle very quickly and, second, I want to deal with a couple of details contained within the bill.

I do not know why it is that we perpetuate a system that places the Crown in a different position from the public. I do not know why we have not adopted recommendations made years ago to allow for tax to be levied against buildings owned by the Crown, whether owned federally or provincially, and the tax therefore to be paid in the same way as all other taxes are paid. Also, a problem tends to arise in municipalities with regard to accurate assessment of Crown-owned buildings. There is also the power that is used by the government in this bill of setting out the exemptions on which it will not pay tax.

It is interesting that the government decides that, for whatever reason, it just simply will not pay a grant for certain kinds of structures. That, of course, makes me wonder what would happen if some private individual were to build a similar structure. The individual would be taxed and would have to pay the tax. I do not quite understand why the Crown takes a different position.

I can remember when Chief Justice McRuer studied the property tax system in the province of Ontario and made many

recommendations, many of which dealt with the right of the municipality to expect to derive revenues from all of the buildings and structures within its bounds, whether they be owned privately or publicly. I ask the minister to respond if he would agree. By doing so, the minister will save me from going through a long series of questions in the committee if he could respond or even hear what I am saying with regard to one clause of the bill which befuddles me. I do not understand why it says in clause 2(2)(*k*):

except where otherwise prescribed, any real property leased to or occupied by a person or a body, whether incorporated or not, that is not a department

is exempt. I do not see how it fits and I do not know how it could be interpreted because it is open to such wide interpretation. If the minister could take a moment and look at that clause, perhaps in his closing remarks, if he intends to make any, he might address himself to what exactly that means. That gives considerable power, to the minister and to the Crown, power to rule out many of the things that may well have been included in some of the preceding sections.

As other members have said, and it is a point I meant to make on rising that I did not make, there is a tendency on the part of everyone—I share it as much as anyone else—to feel somewhat elated at the train of events and the obvious victory of the No forces in the province of Quebec this evening. However, I do want to offer a caution. The caution is this: there were a very large number of people in the province of Quebec tonight who voted Yes. We must, therefore, make an extra special effort to find out what it is about the federal system which has made those people feel that it would be appropriate for Quebec to have a degree of sovereignty, if not total sovereignty. I applaud the No side, and I supported it all the way through, but I am going to suggest that we must be very cautious. When 40 per cent of any group are so dissatisfied as to opt for the Yes side of the question, that is Yes to separation, then there is something dramatically wrong.

An hon. Member: Separation?

Mr. Deans: Yes, separation, and we have to take a serious look at why some people opted for that side.

That aside, I say to the minister—and I have been listening and taking part in the debate—

Mr. Crosby: That is probably why they voted that way.

Mr. Deans: No, I suspect not. I think they probably voted that way because of the record of the Conservative and Liberal administrations over the years.

In any event, I want to ask the minister whether he could address himself to the question as to why it is that we feel it necessary to impose a grant structure when, in fact, direct taxation would be much more sensible and much less cumbersome. The Crown would then have to go through the same procedures as everyone else in dealing with any disputes. It would be required to go through with due process in determining whether or not the taxes being levied were fair, and it would not sit both in judgment and as a taxpayer at the same time. That is a point the minister might consider in some future legislation.

Also, perhaps he could consider the areas in the bill where there are to be exemptions. Some of the exemptions make no sense. If someone else were to build storage tanks on a piece of real property, the individual would pay tax. If someone else were to put in a swimming pool on a piece of real property, that individual would pay tax. Similarly, if a person were to build a snow shed on a piece of real property, that person would pay tax. I suggest to the minister that he take another look at some of the exemptions. I think the exemptions in fact probably speak to a large number of real property questions and areas, where there are buildings used for the purpose that this bill is intended to encompass and incorporate, that will be exempted.

● (2050)

I also want to say to the minister that he should bear in mind that such things as conveyor belts and conveyance systems should be given careful consideration. As he well knows, they are used extensively in the mining industry. It is entirely possible that they are the only valuable part of the development that takes place. To exempt them under a piece of legislation such as this really does not make a lot of sense for some northern communities in which they might be situated. If the minister could give some thought to these few comments, I could feel better about the bill in general.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I suppose we all realize that the eyes of the nation are not upon us this evening, but I am sure we all rejoice in the results that we are watching over television; 60 per cent for the No and 40 per cent for the Yes. I think the caution mentioned by the member from the NDP who just resumed his seat about the 40 per cent who are discontented has to be borne in mind. There can be no further delay in coming to grips with the problems of this country.

It is appropriate, nonetheless, that we should be discussing this bill tonight. It is one of those bills that ought to have been dealt with many, many moons ago. I understand this is the third time it has been before this House. Had it been dealt with earlier and been given a higher priority, it is quite possible that that 40 per cent would have been even lower, because we are dealing with something that is very close to the people who have to pay municipal taxes and those who run the municipalities, the mayors and the councillors. Therefore, while we may not be the main focus of attention this evening, we are dealing with a matter which is fundamental to the issue that is being determined now in the province of Quebec.

I stand this evening because in the riding that I represent there are a number of federal establishments. They are worth mentioning. Some of them are known right across this land and some are of a more local nature. HMCS *Esquimalt* is one. The western naval base is the one that is perhaps best known. There is also an oceanograhic institute of much more recent establishment on Patricia Bay. I suppose the national observatory is one of the oldest establishments on the Saanich penin-

sula. The forest products laboratory is also a federal institution, as is the airport, the experimental farm, and the Work Point barracks.

All of these occupy lands in one or the other of the five municipalities which comprise the riding of Esquimalt-Saanich. Therefore, the municipal authorities in my area are very, very much reliant upon the grants in lieu taxes that are paid into the municipal treasuries for the financing of municipal works.

Royal Roads used to be in my riding, a magnificent park, now the Western College, a military college for all services, which held its graduating ceremonies only last week end. That is an unorganized territory.

There are one or two matters related to this bill that I feel I ought to bring to the minister's attention. One of them has been the delays that have occurred in the payments of the grants in lieu of taxes. On more than one occasion I have had to make representations to one department or another because the municipality has been in touch with me, frantically indicating that it was notified nine months ago that the grants were due and there had been no sign whatsoever of those grants showing up. The bills still keep rolling into the municipalities inevitably. Therefore, while this is a more generous extension of grants in lieu of taxes, I hope that this other matter, not just the generosity but the timeliness of the payments, will be taken into account by the minister. I hope I can get that assurance from him when he stands up to conclude debate on this bill.

The grants in lieu of taxes, of course, have their historic origins, as was mentioned by the previous speaker, with the Crown at one time being exempt from taxes. Gradually the municipalities are catching up on the Crown and this is the next stage in that catch-up, so to speak. Perhaps the time will come one day when municipal establishments will be paid the same assessment for the property that is occupied as any ordinary institution would pay.

It is sometimes difficult to make a comparison except perhaps on the basis of square feet, square yards, square hectares, square metres, or whatever will be used, between an airport and a business establishment such as a warehouse. There just is no comparison. However, I think a formula can be worked out so that the municipalities feel they are getting a fair deal.

This brings me to the question of assessments. An extraordinary situation was brought to my attention within the last two or three weeks which I would like to mention to the minister. I have written to one of his colleagues. It might be useful if I would send a copy of my letter to the minister, because there is an unusual relationship being built up by municipal assessors or regional district assessors. In this particular case, a private property is claiming a farm rate of assessment. The assessor is seeking a waiver to his income tax returns so that the regional district may have access to those returns in order to assure themselves that the statements in so far as the individual being assessed is concerned make him eligible for the farm rate of taxation.

I am sure the minister would not want this practice to go very far. I hope he would not. As far as I am concerned, and I hope as far as he is concerned, the income tax returns of the citizens of this country are a matter of confidentiality between those who submit the returns and the Department of National Revenue. However, as I get the story, the regional district assessor is doing his utmost to secure this waiver from the person being assessed. I do not know under what authority he can do that. I hope he will be appropriately reprimanded by the authorities who sent him out in the first place.

To my way of thinking, that person should be able to submit an affidavit to say that his income from the farm that he claims to be running is X number of dollars. That should be enough to guarantee his eligibility for a farm assessment rather than a residential assessment. If the assessor is not satisfied with the affidavit, then he should question it in the courts. The individual being assessed would then be able to prove by extracting a certain section from his income tax documents, if necessary, but not to open up his whole income tax return to any municipal authority.

• (2100)

I hope the minister agrees with me on the basis of stories I have given to him that that is a very improper practice for any authority to engage in and that, when he gets the information which I should be able to send him within the next day or so, he will be in a position to assure me that this is a practice which is certainly not acceptable to the government. So my first comment concerns the delay, and the desirability of an assurance from the minister that greater promptness will be forthcoming. I believe we should provide for an automatic triggering mechanism at a certain period of the year which municipalities can count on to ensure receipt of their grants in lieu of taxes without fail, year after year. I should like to see such a provision written into the bill, even through I am not sure whether that would be possible. We might examine in committee, whether there is a means of introducing into the bill an amendment establishing a date on which grants in lieu of taxes would be paid out to the municipalities. That is the first point.

The other point I underlined had to do with the abuse by a regional district authority in requiring a person being assessed to release his income tax returns to the regional district so that the officials concerned could reassure themselves because they were not prepared to take an individual's word that he was entitled to a farm rating rather than to a residential rating.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not my intention to go into all the details of the legislation before us, for it has been adequately and well discussed during the debate we have had this afternoon and this evening.

A good deal has been said, naturally, about Ottawa, since it is the municipality which is most affected by the presence of the federal government. Accordingly, I feel I should not let this opportunity pass—and if I see a smile on your face, Mr. Speaker, it perhaps indicates that you know what is coming—

without asking the Minister of Public Works (Mr. Cosgrove) to come to the defence of the Peace Tower. I regard it as a disgrace the way this commanding tower which has meant so much to the City of Ottawa has been blocked out in so many directions by the construction of high rise buildings.

I realize I am referring again to the length of time which has elapsed since I came here but certainly, when I did come to this city, the Peace Tower was in every respect a commanding part of the skyline. As a matter of fact, long before I came here as a member of Parliament I came as a high school boy to visit the city and, back in 1924 before the Peace Tower had been completed, I took snapshots of it which I am sometimes pleased to show to people to help them realize that this building was built within the memory of some of us who are still here. In other words, the Peace Tower is something in which I have been interested for a long time.

A good deal of the battle has been lost by the way in which the city has permitted the construction of high rise buildings, but one still gets a very good view of Parliament Hill and the Peace Tower coming in from the western parkway; there are spots around the city, around the Experimental Farm or out by the Union Station from which one can still see the Peace Tower, and I am happy to say I can still see it from my bedroom window out in Parkwood Hills. As I have said before, woe betide the developer who gets in the way of that view! If I get up some morning and find buildings going up between my bedroom window and this tower there will be a question of privilege, a motion under Standing Order 26, and several other procedures on the floor of the House that day.

Seriously, Mr. Speaker, I believe this craze for high rise buildings, for constructing a jungle for a city, is something which will not always be in vogue, and I would hope that when the Minister of Public Works is holding discussions with the city of Ottawa about its problems, about its need for money, what might be done, and so on, he will express the view often expressed in Parliament that it is a disgrace to block out this tremendous view.

I rose to say just one thing. That is it, and I would ask the Minister of Public Works to remind the city of Ottawa that this city belongs to the whole nation, and that one of the things which is prominent here is the Peace Tower surmounting this building. It should be kept in view for all who live here or come to this city.

Mr. Deputy Speaker: Order, please. If the Chair recognizes the Minister of Public Works at this point, he will close the debate.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, as I rise to close the debate on Bill C-4, I should like to begin by saying to the hon. member who has just spoken that, although I am a new member in this parliamentary precinct, he can rest assured that the prominence of the tower, the history of the tower, and the role which it occupies on the parliamentary scene and in the history of this country, are something very special to me as well. So, in my capacity as the Minister of Public Works, also reporting for the National Capital Commission, another area which though not necessarily germane to the bill under discussion probably gets tagged along because it has to do with local municipality planning and the like, I should like to assure the hon. member that I share his sentiments, and one of the responsibilities I hope to be able to discharge is protection for the concern he has expressed.

Mr. Knowles: Hear, hear!

Mr. Cosgrove: To the hon. member opposite and to the House leader of the official opposition, I quickly express my thanks for the speedy attention they have given to the bill I introduced earlier this afternoon on second reading.

A number of hon. members have invited me to respond to individual points. I decline to do that this evening because I perceive that this bill, first introduced almost two years ago, has been around this place too long and I do not want to give the impression that I am holding it up longer than is necessary. I have, though, noted point by point, with staff also present, the various issues which were raised by all members on both sides of the House, and to show my good faith I shall attempt to respond to those points in writing even before the measure gets to committee so that when they go to the committee they may know the position of the government and of the minister on those points. With regard to some of them, I think I could give explanations, but I do not wish to take the time of the House by doing so this evening. However, as I say, I do not want to take the time of the House to do that this evening.

• (2110)

Mr. Nielsen: You have lots of time tonight.

Mr. Cosgrove: This is a special evening, and the hon. member opposite puts his finger on this being a special evening. A number of hon. members who have spoken about this bill after eight o'clock tonight have talked about the referendum results coming in. I can tell the House that of 79 per cent of the votes cast in the referendum at this time, 58.8 per cent have been No and 41.2 per cent have been Yes. That gives me a great deal of satisfaction, as I am sure it does to many hon. members who have spoken, and to hon. members and people who are in this House who are federalists.

Mr. Knowles: Not just many, all of us.

Mr. Cosgrove: If I may be permitted to make a few comments, as other hon. members have done earlier this evening, the election of a certain provincial government in the province of Quebec threatened a number of Canadians. One of those was the present leader of the opposition in the province of Quebec, Mr. Claude Ryan. I do not believe politics was necessarily his first milieu or avocation. He indicated that he came to the defence of Canada in the political field as a result of that election. I think he has done a fantastic service to Canada, and it shows tonight.

I was impressed as well that a number of people this evening and this afternoon who spoke about this bill were municipal politicians, people with municipal experience who know grass-

roots communities from school boards, commissions, local councils, city councils, etc., just as I have during the last ten years. I would like to say that although I am pleased to be here as a member of the federal government, I thought as I served my local city, I was serving Canada. I am sure that people in the provinces who serve in local or provincial offices, whether elected or appointed, feel in some ways that they serve Canada.

Canada is many things. It is a federalist system which involves, we know formally, the provincial and federal jurisdictions, but it also involves all people who serve in public life and all citizens who are good citizens in this country. They serve and have served Canada, and so even though I am here this evening and privileged to speak as a federalist in the federal House, I feel that my training and my first involvement in municipal politics were also a contribution to my country in the widest sense.

However, there are people who have responded to the federal cause, and they have responded in a special way. They are people who have stood out in this referendum debate and referendum choice which we have seen related back to us in the results this evening. I ran three times in three campaigns to be here this evening because I believed that there were some fantastic federalists in this House who should be supported, and I refer to the right hon. Prime Minister (Mr. Trudeau) and to the Minister of Justice (Mr. Chrétien).

Some hon. Members: Hear, hear!

Mr. Cosgrove: These two federalists should feel vindicated this evening, as I feel vindicated, and as I am sure the constituents who are responsible for my participating this evening feel vindicated by the results of the federalist vote tonight.

I speak of the past, and I want to conclude my comments by addressing the future. Some say Bill C-4 deals with local government. What does that mean in the scheme of things? To me this bill is a good omen. The distinguished House leader of the New Democratic Party defended the Peace Tower this evening. That is fantastic. I think any person who comes to this parliamentary precinct as a young person will feel he has a champion in the hon. member opposite.

Some hon. Members: Hear, hear!

Mr. Cosgrove: However, it is interesting that Bill C-4 tonight, as was indicated by an hon. member opposite this afternoon, is here because we have an antiquated constitution. We have an antiquated system of government devised 113 years ago which requires this House this evening to meet and talk about a bill because, for some reason, the law does not permit the federal government to be treated as any other constituent or person in the community. I predict this bill is a good omen for the future, for federalism and for renewed federalism in this country, and its quick passage this afternoon and this evening shows that hon. members are conscious of this.

It has been suggested that a new deal has to be concluded quickly. I offer one caution. It has been said that the 40 per cent of those people who voted Yes in the Quebec referendum have said that they want a new deal. One player in the renewal which has not been talked of today is the province or provinces. This phenomenon, probably second to the growth of local government, should also be taken into account. The strength, the muscle, the will, and the exercise of regional activity through the provinces are one thing which has to be taken into account, and if we are to be successful in a new deal there is a heavy, heavy responsibility on the provinces to match the will demonstrated this evening by this House and at this level of government to address the future through a renewed federalism, and a search for a federalism which will bring people not only in the province of Quebec but in all other provinces into a better Canada.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

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GOVERNMENT AGENCIES RELOCATION BILL

MEASURE TO RELOCATE GOVERNMENT AGENCIES

Hon. Paul J. Cosgrove (Minister of Public Works) moved that Bill C-13, respecting the relocation of government agencies, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I want to address myself much more briefly than my last comments to Bill C-13. In my opinion this matter is one of housekeeping. It is a matter which ought not to engage a long debate in this House, and I would like to give my reasons why I offer that opinion and view.

A number of departments and agencies which are subject to statutory requirement to have offices or perform functions in Ottawa have relocated or are in the process of relocating outside the city of Ottawa. The situation must be rectified by new legislation which introduces changes in existing legislation covering each of the affected bodies to permit a legal recognition of the location of that agency or service outside the city of Ottawa. That is what the bill is about. It is a simple housekeeping matter. Bill C-13 deals with the necessary changes.

• (2120)

In five cases the words "City of Ottawa" are replaced by the words "National Capital Region". In the case dealing with the Department of Veterans Affairs moving to the city of Charlottetown, the words "City of Ottawa" are replaced by the words "such place in Canada designated by the governor in council". The location within the city of Charlottetown is a point of some concern to some members in the House, and I understand that the matter will be brought up in the late show tonight, Mr. Speaker.

Bills were introduced by the former ministers of public works in the previous two Parliaments to correct this situation, as was the case with Bill C-4 with which we dealt previously today. Bill C-13 is identical to Bill C-22 which was introduced on November 6, 1979, in the first session of the last Parliament, and which was the successor to Bill C-32 and Bill C-23 in the third and fourth sessions of the previous Parliament under the former Liberal government. To a municipal politician that means that people have gone through two elections and the bill is still sitting here.

A majority of these bodies which have been relocated during the past year or two are located in the national capital region, in Hull or Vanier. The affected bodies are the Economic Council of Canada, the Department of Indian Affairs and Northern Development, the Land Titles Office, the Canadian Transport Commission, Public Archives and DREE. In addition, provision is made for the relocation of the Canadian Pension Commission, the Pension Review Board, and the Department of Veterans Affairs to which I have referred.

The present bill, which is identical to Bill C-22, differs from Bill C-23 in that all references to the Farm Credit Corporation have been deleted. This change was introduced following the last government's decision in July of 1979 not to relocate to Camrose, Alberta, and it was deemed appropriate not to include it in the present legislation because of the uncertainty of a review of the over-all decentralization program.

In brief, that is the introduction of the bill.

Mr. Nielsen: Will the minister accept a question before he sits down?

Mr. Deputy Speaker: The hon. member for Yukon (Mr. Nielsen) wishes to ask a question. Does he have the minister's permission?

Mr. Nielsen: Will the minister, in order to enable members in the House to participate intelligently in the debate on this bill, table the costs of the move from Peterborough to Cornwall, and from the waterfront site to the uptown site in the other case, so that we might intelligently debate those aspects of this bill on decentralization?

Mr. Cosgrove: Mr. Speaker, with respect to the question put by the hon. member opposite, let me say that, in my opinion, that question is not pertinent to the main thrust of the bill before us this evening, which is housekeeping. If members wish to review the substance, the cost, the efficiency or otherwise of the actual physical moves, which, in my opinion, have nothing to do with this, there will be other occasions and other forums available for that type of discussion. I urge members to seek those other forums. In my opinion this bill does not provide the occasion for such a discussion. If my friend wants those figures, I would be happy to produce them in another forum.

As you know, Mr. Speaker, I tabled, in answer to a request of hon. members opposite, the cost, for example, of the move to Charlottetown. I would be happy to provide those figures, but I say to hon. members that I do not think this is the time or the place.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I mentioned to the minister this afternoon that it was rather interesting that he was cutting his eye teeth on Bill C-4 which dispenses largesse to thousands of municipalities across the country. As he mentioned tonight in his concluding remarks, the principle of the bill has the basic consent and approval of parties on all sides of the House, so perhaps it was a very interesting and fortuitous bill for the minister on which to cut his parliamentary eye teeth.

Having heard those gratuitous remarks, naturally I was a little disappointed in the minister's concluding remarks. While he thanked my House leader for expediting the passage of Bill C-4, obviously he did not really congratulate the speakers on all sides of the House, or any of the speakers on this side of the House who, frankly, had the conduct of the bill and who, through their co-operation, enabled the minister to get Bill C-4 through the second reading stage into committee, regardless of all the deference which he paid to the venerable hon. member who, some people think, lives in the Peace Tower, for his pet project on the parliamentary Peace Tower.

Mr. Speaker, I must say that I started lightly on Bill C-13 because the minister, having made a few gratuitous remarks to the wrong side of the House, in my view, and not having answered any questions from this side of the House, should not expect as easy a passage through the House of Bill C-13 as he had on Bill C-4.

Mr. Deputy Speaker: Order, please. The Minister of Public Works (Mr. Cosgrove) rises on a point of order.

Mr. Cosgrove: Mr. Speaker, surely the time at which I spoke, about ten minutes ago, was not so long ago that my friend can say I did not thank both leaders of the parties opposite for the support they gave to Bill C-4, because I did do that. Surely he would not make that statement.

Mr. Nowlan: Mr. Speaker, I was here in the House and I heard the minister's remarks. But I will not amplify this because, frankly, it does not address the substance of the bill before us. I must say to my friend, the hon. member for Restigouche (Mr. Harquail), or whoever he may be, that I would appreciate hearing him on this bill which involves the relocation of government agencies.

So far as the ambit and the principle of the bill are concerned, when you relocate government agencies, it seems to

me that the question of the hon. member for Yukon (Mr. Nielsen) was most relevant, because one of the things the taxpayers want to know, when you relocate an agency or a government department for whatever cause, be it good, bad, or political, is what is the cost to the taxpayer.

There are several matters which give us concern, and I must say that the minister, in the schizophrenic world in which we live in the political arena, perhaps chose well to put before us Bill C-4 first, and chose well when he decided to cut his parliamentary eye teeth on that bill, because Bill C-13 is a decayed and diseased wisdom tooth which should be extracted, because it has none of the parliamentary attributes of a positive nature that Bill C-4 had.

Here I want to digress for a minute because I know the minister ad libbed very well in his concluding remarks on Bill C-4 about the results of the vote tonight. I will not digress too far on the implications of that vote because others in other places tonight are perhaps trying to assess and divine the situation and the full implications of that vote. All I can say, having been a member here for a few years, is that I do not think the vote tonight has settled anything. I quite agree with those members of the House, as well as those who have spoken outside, that unless this House gets off the dead centre on many issues, some of the divining going on tonight may not be quite as prophetic and may perhaps be a little more pathetic than some people who believe in the federal system would like to believe.

I do not feel any great excitement about the result tonight, although I am glad that the forces in favour of No have so obviously won. But when you get such a massive support for the Yes side, there are implications for any federal member who looks at the federal scene, let alone the disquiet and alienation in other parts of the country.

For a long time this House has been preoccupied with a justification for the problems in Quebec which is very close to us, especially when we talk about the national capital district. In fact there are those of us who could suggest, in terms of the history of Bill C-13, that now that the buildings are across the river in Quebec, in Hull, the government brings in what the minister euphemistically calls housekeeping legislation to legitimize retroactively the move of many departments across the river to the national capital region in Hull. Without getting too philosophical, I think Bill C-13 respecting the relocation of government agencies, in its strictest sense is involved in an indirect manner with the vote tonight.

As the minister mentioned, this matter is not new. We in this House saw changes in the Ottawa region, the capital region and/or construction on both sides of the river, without any great parliamentary debate. With the shift of locations of government agencies, now we are coming in to ensure, in the subject matters which the minister mentioned, be it the Economic Council of Canada, the Land Titles Act, the National Transportation Act, the Public Archives Act or the Department of Regional Economic Expansion Act, that where "Ottawa" appears it comes to mean "the national capital region."

• (2130)

There are two matters raised by Bill C-13, as far as I am concerned. One is the historic reason why we even have a Bill C-13, that is, expansion. I am not necessarily saying that I am against that, because it is a fact of life. A man called John Diefenbaker, a former leader of my party, in 1958 expanded the whole definition of the national capital region to include parts that were never included after many years. As your Honour knows, he expanded it far across the river. I do not want anyone to misinterpret my remarks tonight, but he expanded the definition of the national capital region to include other parts of the Ottawa area, the Ottawa-Hull area, the parkway system and the Gatineau. As the hon. member for Nepean-Carleton (Mr. Baker) said, it is a pleasure for many of us who live here temporarily, or for those residents who live here permanently. It has enhanced the area. There is no resident of Ottawa or member of Parliament who has been here for a few years who has not seen the improvement in the national capital region.

Having said that on the positive side, through enhancement, enrichment and development in a positive sense of a national capital region, I cannot stand idly by, meekly bow, and say that we should now just acquiesce in retroactive approval of things which should have been debated in the House before they ever occurred. I am referring to the move of many agencies across the river into buildings there, leaving vacant space in the heart of Ottawa, let alone other moves across the country that have caused concern.

The minister may be a little surprised by my comment because I am from one of the so-called areas of economic disparity. It is not that so-called in economic terms. It is an area that is somewhat economically deprived. Having been in theory and in principle in favour of decentralization, I am sure the minister may wonder why this member for Atlantic Canada is questioning the principle in this bill of decentralization.

An hon. Member: Yes, why?

Mr. Nowlan: The answer to the rhetorical question and/or the question of the hon. member opposite, is that there is a real fundamental difference between decentralization in principle based on proper criteria and decentralization which occurs strictly for political patronage. As far as I am concerned, Bill C-13 is founded not only on weak history. It should have been debated, and perhaps it would not have caused the negative reaction in my mind. It should have come into the House open-ended. We talk about freedom of information and all the other things that members of Parliament and the public should be exposed to and know about, yet a case could be made for almost a surreptitious movement which in effect is legitimized, after the move, by bills such as Bill C-13.

I hope, when I speak this way, that future governments will not take this back-door approach to expand the operations of the federal government for whatever purpose, be it laudable or otherwise. This afternoon the minister did not answer any questions on Bill C-4 which were put objectively by members

on this side. Frankly, the questions were not that pointed because the members were all in favour of the principle of the bill which they kicked around. Ironically we have here a bill legitimizing "national capital region" for the word "Ottawa" for five government agencies in areas where the public servants have already moved in large measure, yet the bill has not moved off dead centre of the House of Commons. If the barn door has ever been closed after the cattle have gone out to pasture and were likely to break down the fence, Bill C-13 does it.

I suggest that this bill must be looked at critically. One of the main reasons why it must be looked at especially critically now, notwithstanding the fact that tonight there was a very profound and historic vote in Quebec which has been good for the nation from sea to sea, is that tomorrow the work really begins. The Prime Minister (Mr. Trudeau) and all party leaders in all parts of Canada must get down to discussing the merits and demerits of a renewed federalism and/or a renewed constitution. As some political scientists have said, there can be a real difference between a renewed constitution fundamentally or a brand new constitution fundamentally and a renewed federalism where parts of the whole, for example the provinces, have a much more meaningful say than perhaps they have had heretofore. I must say that I am somewhere in the middle, which perhaps is the safe place to be on a question like this.

I do not think the provinces are given a real meaningful say in a substantive way by just building buildings in different plots of land, no matter how great the building, no matter how great the plot. That type of cement mentality somehow often builds walls around the way we think about our federalism. We think it is there because of dollar signs.

From a personal point of view and that of a federal politician, albeit outside of the province of Quebec, I suggested this was a question for Quebec, although it affected all of Canada, because until very recently there was no emotional content in the debate in Quebec for those in favour of a No vote. I will not go much farther down that road, paying compliments where perhaps compliments can be paid. I might surprise some members in terms of where I think compliments should be paid. But I think the vote justifies the work of all who worked actively in the debate in Quebec. I hope we do not just stay on a Bill C-13 mentality, without substantive criteria for relocating agencies of government departments.

I am a politician and I make no apology for using the phrase "crass politics", but I must say that in terms not only of alienation of the regions of this country but also of the people of this land against politics, not only can they look at Bill C-13 and its strictness in terms of the national capital region in Ottawa, but they can look at what happened to the hon. member for Peterborough (Mr. Domm) versus the former mayor of Cornwall.

Some people in the House do not yet know that the change of the Parks Commission from Cornwall to Peterborough followed the change from Cornwall to Quebec in order to divide the whole thing up. At one time the parks department was solely in Cornwall and it looked after the interests of both Quebec and Ontario. When the parks department changed its location to Quebec in order to be closer to the people, naturally there was pressure to make sure that the remaining parks office in Cornwall was moved to where it could better serve the people of Ontario, where the park was, closer to Peterborough than Cornwall. It was not the Conservative government of a few months ago that suggested this. This is where the question of the hon. member for Yukon is most relevant. What is this topsyturvy flip-flop on parks in Cornwall or Peterborough, or the Charlottetown move, or the move of Eldorado from Port Hope to the northern Ontario region?

If there are legitimate reasons for this, when are we as politicians, or when is the government as the leader of politicians, i.e. the leader of this Parliament, going to start taking people into its confidence by saying, "Okay, there are five good reasons for the move and three bad ones, but these are best"? The people of Canada should make their choice, and those are the reasons. Sometime they will be able to make their choice.

• (2140)

There are many times as a member of Parliament, whether dealing with Bill C-13 which is trying to legitimize something which has occurred after the event, for example relocation, or another bill, I really cannot see the justification. This bill is trying to legitimize the move to a wider national capital from the narrow strict definition of Ottawa, that is, a relocation of government activities to other parts of the country under the umbrella of decentralization. I really wonder how you justify the move, for instance, to Peterborough from Cornwall.

I thought the whole concept of decentralization began with a move out of Ottawa to the periphery, the east and the west, or even to Winnipeg. I thought it was a move of activity out of Ontario, perhaps. I am talking as an Atlantic politician, and I feel there might be a little more benefit in a federal presence in areas more distant from Ottawa. However, we all know that decentralization has been manipulated and used for political purposes. As a politician I recognize the reality of that.

If politicians are to earn the respect of the alienated public out there from coast to coast, in contrast to alienated parts of the country, then the politicians in this chamber, especially the leaders here, i.e. the cabinet ministers, must have the intestinal fortitude to come clean.

This new Minister of Public Works (Mr. Cosgrove) has some experience in municipal politics in the Toronto area. I do not know the mechanics of the bylaws in the Scarborough region, but I know he was involved in municipal politics before becoming a federal member, and I am sure that he knows in most cases the workings of school boards and municipal councils at the grassroots level are more open and more public that here at the top of the totem pole.

I am really serious that in areas where the public dollar is involved it is time we, as politicians, remember that we are not just playing the Parliament game under the rules of John A. Macdonald, and we all have to vote with the party whip—that

is a subject I would like to make a speech on at some time—but we are dealing with an alienated public not restricted just to Quebec. As a body corporate, as a House of Commons, if we make these moves we should make them for legitimate reasons.

Quite frankly I was not overly excited about confirming the move of the Department of Veterans Affairs to Charlottetown. I received briefs from legions of this land and talked to many good veterans who, quite frankly, were not excited about this move. I am speaking as an Atlantic member, talking about a move to Atlantic Canada which might help Atlantic Canada in terms of jobs, but there should be a good reason for such a move. I suggest in some areas the reasons should have been openly questioned with the merits and demerits placed on the table.

As far as I am concerned, as the lead-off speaker for my party in respect of Bill C-13, obviously the national capital is an area that has the approval and approbation of this side of the House. However, we do have to be critical about legitimizing things after the fact.

There is another question that has not been covered by this bill. Perhaps it is not overly relevant. Under the British North America Act, section 16, the capital of Canada shall be Ottawa until otherwise directed by order of the Queen's Council. As a result of these decentralization moves there may be people at the grassroots level who could successfully challenge the federal government. Some of these people may successfully challenge the federal government in respect of some of its regulations or laws having regard to some of these departments that have been carrying on business in certain areas for a couple of years. Perhaps an aggrieved citizen could challenge the federal government by suggesting that a head office must be here in Ottawa.

The suggestion could be made that the federal government must issue its edicts, its summonses, its expropriations and whatever here in Ottawa, the designated capital of the country. Such an individual might suggest that the federal government is out of circuit and out of tune because its head office has to be here in Ottawa. Such a challenge could be made on the basis of the change from Ottawa to the national capital region. From the little I used to know about constitutional law I think there very well might be a good class action on the part of the taxpayers regarding some of the federal processes. Tonight, or whenever we pass this bill, we will legitimize this change.

Let me conclude, since others want to speak, by saying that this is a pretty poor way to run a railway, and it is an even poorer way, quite seriously, to run a government. If there is anything that the vote in Quebec should tell us, and quite frankly, that the vote during the last two elections in 18 months, does tell us, it is that there is an alienated public out there, not enamoured with politicians in general and with some politicians in particular. I hope this new minister does not become confined with just the bureaucratic knee-jerk reaction. I respect those bureaucrats around us as fundamental and necessary, but the problems of government, and this includes many political shades of government, occur when there is a knee-jerk reaction as a result of the advice of the bureaucracy.

I am informed that in regard to Bill C-4 there was a gentleman in the Department of Finance who has been involved in writing this proposed legislation with each change of Parliament, for about nine years. He has been involved in this legislation on grants in lieu of taxation to municipalities. He is obviously an expert. No doubt the answers the minister is provided for the questions that might be raised in the House by the opposition are good answers, but I hope this minister does not rely solely on the advice of these bureaucrats but, rather, takes advantage of the experience he has had in the municipal field.

I hope he uses his newness in this government, which is an old government, when looking at some of these problems with a fresh approach. Perhaps in this way he can avoid any further deterioration of the public's respect for the political process, and that deterioration has occurred from coast to coast, regardless of region. Hopefully in this way we can avoid a repetition of some of the dramatic events which have occurred in this country. I am sure we will be faced with even greater problems in the future as we go on with the nation's business in a substantive way. I would hope, therefore, when the minister concludes his remarks in this debate, or when providing information in the committee, he will make sure there are answers to the questions, including those asked by the hon. member for Yukon earlier regarding two precise points.

The minister could bring in those figures tomorrow. With the answers to these questions and those figures, this debate might be expedited. In this way he could perhaps cast bread on the waters and ease the passage of the bill. Whether this information comes tomorrow or at the committee, members of Parliament on all sides, and especially ministers, have an extra duty to be more open than the government certainly has been. Until that takes place we will just be whistling Dixie if we think the public is going to have a different perception of politicians who are supposed to be running this country.

● (2150)

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am delighted to speak to Bill C-13 this evening. It is a privilege to speak on this day, particularly in light of the results which have been realized tonight in *la belle province*. I would like to congratulate the minister, the hon. member for York-Scarborough (Mr. Cosgrove), on his dynamic approach to his responsibilities. With the introduction of both Bill C-4 and Bill C-13 in the same day, he is obviously a very busy minister. I would like to identify and associate myself with this dynamic minister in the sense that I was able to relate to his remarks earlier this evening, having served personally on a municipal government for eight years in New Brunswick.

I speak in support of the relocation of the government agencies, but before I get into my remarks I would like to take this opportunity to participate in what I feel is true debate in this House between two members on such a bill. The previous

speaker, the member for Annapolis Valley-Hants (Mr. Nowlan) contradicated himself so many times that he laid the groundwork on which I can say something about the importance of the relocation of government agencies to the Atlantic area.

The hon. member started off by saying that he would be brief, but then he went on for a long period of time holding up this bill. He mentioned the two elections and the fact that there has been a long delay in the passage of legislation in this House. From that comment, I understood the hon. member to mean that he was as anxious as all of us are to clean up these housekeeping bills and get on with the nation's business, as he called it. Yet, the hon. member went on to say a number of negative things about what the minister is attempting to do.

The very fact that the hon. member does come from the Atlantic area, and after saying what he said this evening, very clearly established the case that he was contradicting himself. I do not know why the hon. member would do that, or from what base he made those remarks when he criticized the move to Prince Edward Island. This is a move which I have supported 100 per cent, not only in the days when we were in government but during the days, that very brief period of time, when we were in opposition. I defended the decision taken by our colleague, the former minister of veterans affairs, even when he was not here in the House. Now that he is back and is the Minister of Veterans Affairs (Mr. MacDonald) again, he has the privilege of seeing the work he commenced in an earlier Parliament come into reality.

As one who had the privilege to serve as the parliamentary secretary to the then minister of urban affairs who was also responsible for CMHC and other matters, I had an opportunity to realize fully the workings of the National Capital Commission. I join with other members in stating my belief and understanding of the importance of the national capital. Of course I will not be able to muster the enthusiasm nor find the words to express how proud I am of the nation's capital and of Ottawa, but I have nothing but admiration and understanding for the work and the role of the members who represent this region.

I state that because as a member of Parliament I understand the difficulties of those members of Parliament, and I sympathize with them as representatives of the people of this region. On the other hand, it being a two-way street, I would hope that they would understand our position, coming from a have-not, underdeveloped region of the country.

There is very little which I can add this evening in this debate. It has been so well stated by our Prime Minister (Mr. Trudeau) on previous occasions and, more recently now that we have commenced with a new administration, that both he and the government have indicated how strongly they hold the position that the have provinces must continue to seek and to find ways and means to assist in every way the have-not and underdeveloped areas.

That is why I find it strange for a member from the Atlantic provinces, the member from Annapolis Valley, to stand in his place and qualify himself eminently as a member speaking out of both sides of his mouth. On the one hand he said that we may need this type of relocation and support for the Atlantic area and, on the other hand, he chastised the government, by bringing in the usual type of sly innuendo, that decisions were taken for other than appropriate reasons.

The program which was announced in October, 1977, addressed the relocation of several thousands of full and part-time jobs from the capital area to 24 communities in all ten provinces between the period of 1977 to 1982. I will make no reservations about it since I represent an important constituency in New Brunswick. I am very much interested in supporting Bill C-13 this evening because I want to do what I can in my work to attract some relocation of government agencies to my area, which is one of the most beautiful areas in Canada. I refer to the beautiful Restigouche River, the salmon and all that we have going into the Gaspé area.

However, we also need jobs in order to survive, and we must develop the economy. We have some industry there with mines, with the Noranda group and Bathurst Mining and Smelting. We have the pulp and paper industry which employs thousands of Canadians who are hard-working people. There is also tourism and various other aspects which will help the economy. However, we also need due and fair consideration when it comes to relocation and decentralization.

Mr. Forrestall: Speak to the Minister of Veterans Affairs.

Mr. Harquail: To the hon. member who is trying to enter the debate by way of interruption, I am satisfied that you have received, I think, fair consideration, in time, through reallocation and the very substantial location of federal jobs in your riding.

Mr. Forrestall: I lost it all. You took it all away from us.

Mr. Deputy Speaker: Order. Will the hon. member please address his remarks to the Chair?

Mr. Harquail: Mr. Speaker, I enjoy your support in restraining these interruptions, especially with regard to a member who enjoys to a large extent great benefits from the federal government, from such departments as the Department of National Defence—

Mr. Forrestall: You got to be kidding.

Mr. Harquail: —the Department of Fisheries—

Mr. Forrestall: You got to be kidding.

Mr. Harquail: —the Department of the Environment, and all the other federal agencies which have very substantial installations in his immediate area. I believe that the hon. member represents the Dartmouth area. Certainly I would think that the hon. member has very little to quibble about in terms of reallocation and location of federal departments and agencies in his own area.

In my short experience in this House, and being from the Atlantic area, I have found that it is not uncommon to suffer

interruptions from colleagues who share the same concerns as I have with regard to attempting to develop ways and means to develop the Atlantic area. Notwithstanding the negative comments made this evening by the hon. member from Annapolis Valley, and seconded and supported by the hon. member from Dartmouth in his interruptions, we will go on because we have received the mandate of the people to do this. When the member from Annapolis Valley—

Mr. Nielsen: Annapolis Valley-Hants.

Mr. Harquail: It's of no great "Hants". It does not enhance, nor has he convinced me of any enhancement tonight or on any previous occasion. Having experienced interruptions by that hon. member, at least I had the benefit of that experience to prepare myself well for my intervention this evening. When the hon. member mentioned his leader and his party's position, he would have to conclude that that was part of the message delivered to him by the Canadian people, when we were returned to government, that people want relocation of the government agencies.

Mr. Deputy Speaker: It being ten o'clock the House will now proceed to Proceedings on Adjournment Motion.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

ENERGY—ALLEGED INADEQUATE RESPONSES OF MINISTER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, given the events of earlier this evening, I must join with all of those who tonight will not necessarily breathe a sigh of relief because well in excess of one million of our fellow Canadians have expressed a desire that may not be in sympathy with our own, while slightly less than two million have expressed the opposite desire. I do not think we should take any comfort from that. It is clear that we have an extraordinary task ahead of us to reunite this country.

In terms of the question that I raised on April 17 having to do with energy, how we are going to pay for it and how we are going to bring it into this country, might I raise two points for the distinguished parliamentary secretary whom I do not see here at the moment but who, I hope, is here. These two questions have to do with the rejection this afternoon by the Secretary of State for External Affairs (Mr. MacGuigan) of any possibility of participation by Canadians and Canadian ships crewed by Canadians and subject to Canadian law in the movement of energy from Mexico into Canada.

This afternoon the Secretary of State for External Affairs told us that the question, to the best of his knowledge, has not even been raised. In such a vital area to Canada, I am amazed that the question has not even been raised.

Last year leaving ourselves open to external interests, as Canadians we paid very close to $3.7 billion on the movement of goods in and out of this country by water-borne means. That includes exports overland of Canadian manufactured goods, through the United States, exporting through United States ports. These goods went out in foreign-registered bottoms, not Canadian ships, but foreign registered ones. The agencies here in Canada took their usual fees for these purposes, but the ships were foreign registered.

In discussions with Mexico with respect to the agreement to import eventually upwards of 100,000 barrels of oil a day into Canada—and I speak as an eastern Canadian who is totally reliant on imported oil—I am told this afternoon by the government of this country that the question of who would move that oil was not even considered. I find that reprehensible. I find it equally reprehensible with respect to energy and the question of whether or not this government has bothered to consider how we are going to export northeastern British Columbia coal to Japan.

It is my suspicion, not confirmed and not too late to be corrected, that this government has not even introduced into its discussions the possibility of the utilization of Canadian ships built in Canada, crewed by Canadians and subject to Canadian law, in the export of Canadian natural resources to Japan. It is my suspicion that that has not even happened.

A second problem that I raised on April 17 had to do with where the money is to come from to pay for eastern oil in terms of compensation. It is not in anything mentioned by the Minister of Finance (Mr. MacEachen). In fact it is some $2.5 billion to $2.8 billion short of the premises on which the Minister of Finance introduced his mini-budget. I am sorry to see only one member of the Treasury Bench here, the Minister of Public Works (Mr. Cosgrove). I am pleased he is here this evening. Where is the money going to come from? How is the money going to be raised to meet that compensation fund? I want an answer to that question.

• (2205)

The third question I posed on April 17 had to do with whether the government was prepared to honour the commitment given by the previous government to assist refineries in eastern Canada with regard to the upgrading of their facilities in order to accommodate the heavier crudes now coming out of Venezuela and which will come out of Mexico. Where will the money come from to help them? Are they going to have to do it on their own? If so, when will they be told so that they may start on their own? If there is any federal financial assistance forthcoming, when will they know about it? When will they know what the level of assistance will be?

Those are my three points. When in God's name are we going to start to move our own resources—

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in raising this matter this evening the hon. member has provided the opportunity to demonstrate again the international involvement of this government in ensuring a stable and secure energy supply for Atlantic Canada.

Last week I indicated to the House what we have done to foster energy conservation and diversification in the maritime provinces. While those efforts have already brought rewards and shown considerable further promise, we cannot eliminate the need to import oil into Atlantic Canada in the immediate future.

An energy agreement with one foreign supplier, Mexico, was initialed in May, 1979, one year ago. It provides for the delivery of Mexican crude oil to Canada. The intent is to initiate delivery this year, increasing to 50,000 barrels per day one year after delivery commences. Later, if Mexican production allows, this may rise to a volume of 100,000 barrels per day. The precise mix of heavy and light crude oil remains to be negotiated.

As is the case elsewhere in the world, eastern Canadian refineries have a limited capacity to process heavy oil. Certainly we have a responsibility to consider these limitations while negotiating with Mexico. Once this oil supply agreement is finalized, Petro-Canada is expected to arrange for the efficient transport of this oil to eastern Canadian destinations. We expect that this will minimize the costs involved, and allow Petro-Canada to exercise its mandate to assist in protecting our national interests. If available and suitable, we shall, of course, give first priority to Canadian ships.

While the price of Mexican crude is in the upper range of current international prices, it would be accepted by companies which look forward to receiving crude oil from a secure source. This acceptance can be explained by the fact that crude oil contracts from other sources would likely entail prices which would equal, or exceed, the price of Mexican crude available to Canada.

To respond to the subject the hon. member raised regarding financial assistance to the refining system, I can repeat that it was studied extensively in 1979 in consultation with officials from provincial governments, including those of Atlantic Canada. At that time it was concluded that no assistance would be required. Accordingly, the previous Conservative government took no steps to provide financial aid to those who would be refining imported Mexican crude oil.

● (2210)

REGIONAL ECONOMIC EXPANSION—RELOCATION OF DVA SITE IN CHARLOTTETOWN

Mr. Tom McMillan (Hillsborough): Mr. Speaker, on this historic and happy occasion I hesitate to raise a mundane matter although the issue I wish to discuss is of great interest to my riding of Hillsborough, to my province of Prince Edward Island and, indeed, to all Canadians concerned about good government. It has to do with a question in the House of Commons on Tuesday, May 13, 1980, which, in the first instance, I put to the President of the Treasury Board (Mr. Johnston). It concerned the attempt by the federal government to locate the Department of Veterans Affairs in the centre of Charlottetown, the capital city of Prince Edward Island, despite a binding legal agreement between the federal government on the one hand and the province of Prince Edward Island and the city of Charlottetown on the other, through the Charlottetown Area Development Corporation. The agreement required the Department of Veterans Affairs to be located on the waterfront.

I asked the President of the Treasury Board on that occasion whether it was his intention and that of the government to ignore the obligations they had incurred under the binding agreement, and whether it was also the intention of the government to force its choice of site on the people of Prince Edward Island. The hon. gentleman was unable to answer my question, and the Minister of Public Works (Mr. Cosgrove), in an effort to rescue his colleague, entered the discussion and answered as best he could. In essence, Mr. Speaker, the Minister of Public Works presented more or less the same statement that he tabled the next day, an analysis on the basis of which the government proceeded with the change of site. Mr. Speaker, the answer to my question by the Minister of Public Works and the statement he tabled in the House the next day were both riddled with inaccuracies and unfounded assumptions. In the short time I have at my disposal in the House tonight, I would like to deal briefly with each of his points.

The first had to do with cost. He maintained that the waterfront site was between $1 million and $1.5 million more expensive than the uptown, alternative site. The truth is that the waterfront site is valued at $1.5 million. By contrast, the uptown site is valued at $2.1 million, leaving an advantage in favour of the waterfront site of $600,000. It is true, as the statement provided to this House by the Minister of Public Works pointed out, that piles and a seawall are required to be installed to make the waterfront site suitable for a massive federal government building. But the cost, according to the best estimates, would not exceed about $400,000, still leaving an advantage of something like $200,000 in favour of the waterfront site. But one has to calculate also the additional cost to the federal treasury of getting out of the binding agreement with the Charlottetown Area Development Corporation, which may exceed a million dollars. So it may well be that it will cost in excess of a million dollars for the federal government to change the site from the waterfront to the central core for political reasons.

The second point the minister made in his answer and, in his statement the next day, was the desirability of the uptown site compared with the waterfront location, in terms of parking, of traffic and of other things such as bringing business to the neighbouring retail stores. The truth is, Mr. Speaker, that the proposal for the uptown site does not even conform with the

city's bylaws, guidelines, and restrictions with respect to the required ratio of parking spaces to the number of employees in a building.

● (2215)

What is more, the proposal to which the minister is a party would contemplate the placement of a massive federal government building right in the heart of a small community—a capital city but, nevertheless, a small community. This measure will worsen parking problems, especially in the summer, when we have something like 600,000 visitors. During that time of year, 600,000 tourists are added to the population of Prince Edward Island, which is only 123,000. The uptown site will cause congestion of traffic in the centre area of the city, and it will devour valuable commercial space better suited to commercial purposes rather than government or institutional purposes.

Almost as important, I think, is that the decision will place a huge federal government building across the street from the provincial legislature, which is a national historic site. The building is a shrine because it was where the Fathers of Confederation met in 1864 to draft the British North America Act. The placement of the building on the waterfront, on the other hand, would give a much needed boost to the waterfront development that is going on with the help of the federal government, the province and the city, and into which the federal government itself has already poured something like $5 million.

By changing the site and by wrenching out of that project the Department of Veterans Affairs, which was to be the centre-piece or flaghip of the waterfront development, the federal government has in effect undermined a project in which it itself is substantially involved.

I want to make one additional point in conclusion. The waterfront site is not, as was implied by the minister, a million miles away from the centre area. It is only three blocks from the downtown centre. It is close enough to the centre of the city to complement local businesses and retail outlets, while being far enough away not to disrupt city planning in the way the downtown core option would.

May I conclude by saying that the placement of the building in the centre core of the downtown area will not accelerate the relocation, as the minister implied. The fact is that with the haggling that will take place between the federal government and CADC over the binding agreement, and with so little done in the uptown core area by way of preparation, this change in site from the waterfront to the centre area will delay rather than accelerate the relocation of DVA to Charlottetown—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, on April 25, 1980, it was announced by the Minister of Veterans Affairs (Mr. MacDonald) that the new building would now be built on the Kent-Grafton Street site presently owned by the federal government.

I am very disappointed that my hon. colleague opposite should think, because this building is intended to be next to a shrine, a place which marks the beginning of this country, that that very important building in that part of this country is not an appropriate location for the headquarters of the Department of Veterans Affairs. I would think that if he had the opportunity of asking the men who put together the basis for this country some time ago whether they thought it appropriate, whether the shrine which marked people who died for this country was good enough for them, or the shrine which marks the continued administration for people who were maimed and still suffer as a result of their sacrifice to their country—whether they think that this shrine and this place is good enough to be next to them, contrary to what my friend says, I think the answer would be, "We would welcome a shrine to these people."

I think that my friend does a disservice to himself, to his province, and certainly to those who served in world wars, and who are served by the Government of Canada through the administration of the Department of Veterans Affairs, to carry on the way he is about the location of this site.

I will rest.

● (2220)

TRANSPORT—CROWSNEST PASS FREIGHT RATES—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, with regard to my question of May 15, which was followed by my question of privilege on May 16, I expressed my sympathy to the minister for having been misled by the Canadian Pacific Railway over the matter of CP rail's freezing of the $322 million Rogers Pass project until the government adjusted the Crowsnest Pass freight rate.

I offered sympathy because CP has sent the minister into the House stark naked except for the pathetic excuse that CP executive vice-president Bill Stinson had been misquoted when he had talked to five reporters on the special Calgary to Vancouver train which was showing off all the improvement CP was making to increase the capacity of its main line, but not all the improvements, however, because Mr. Stinson said that if the Crowsnest rate was not replaced by a compensatory rate of about five or six times as high, CP Rail would freeze Rogers Pass improvement as a sign of bad faith with the Government of Canada over the transport policy. That was Mr. Stinson's statement to the Canadian Press reporter, Steve Merdl. Then, one of CP Rail's highly paid public relations men no doubt told one of the assistants of the Minister of Transport (Mr. Pepin) that Mr. Stinson had been misquoted.

However, that was not the end of the story. Then the other reporters on the train started filing their stories. I have mentioned that one of them, Bobbi Lambright of the Edmonton *Journal*, filed an almost identical story to the Canadian Press account. Miss Lambright wrote, and I quote from her story in the Edmonton *Journal* of Thursday, May 15:

If the money—

That is, money from higher compensatory rates for hauling grain.

—is not available, some major projects will have to be shelved resulting in serious ramifications for rail transportation in the 1980s. A $300 million double tracking project through the Rogers Pass could be the main casualty if finances are not available.

The link between the Crowsnest Pass rate, which the CPR would dearly love to do away with, and the CPR main line improvements, was established by those reporters. This is what I was referring to when I said the CPR was practising corporate blackmail on the Government of Canada.

There was further evidence. The CBC has a reporter on this train to nowhere, and his report made the same link. Canadian Press, which is always sensitive to charges of misquotation, declined to change its story.

This was the background to our question on Thursday, May 15, and the subsequent question of privilege on Friday, May 16. On the question, I am sorry but the minister and this House have been shamed by the statement by CP Rail which has proved incorrect.

I am somewhat more disturbed about the matter of privilege. Madam Speaker ruled stating that it appeared to her to be a matter of whether the MP was satisfied with the answer given by the minister. The question before the House was whether the House had been misled. If so, why whould CP rail not be called before the Standing Committee on Privileges and Elections to determine why they had decided to tell the minister something other than what three trained newspaper reporters had concluded after an extensive interview with executive vice-president Stinson?

● (2225)

There is a legitimate press issue here, Mr. Speaker. We are often confronted with a public figure who, when he has said something indiscreet, hides behind the protective veil of claiming he was misquoted. This does the press of this country, which already has serious credibility problems with its public, little good in establishing its own legitimacy as the reporter of public events which serves the vital function of shaping public opinion in this nation.

If this matter could have been cleared up by the committee, I think the press, the public and the Parliament of this nation would have been better served for it. That is my regret, Mr. Speaker.

Also, we could have returned in the House to the substance of my first inquiry, namely, whether it is the Government of Canada or CPR which determines the transportation policy in this country. Would the government invoke section 262 of the Railway Act if Mr. Stinson makes good on his threat to move grain at a lower priority than other freight if the Crow rate remains in place, thereby ensuring that western farmers get the priority they deserve in shipping the export wheat which does much to earn the foreign exchange which this country needs so desperately? Would the government consider the recommendations for Crow related freight rates as recommended in the Hall Commission report on grain handling and transportation, and remove the disparities for producers of semi-finished goods such as rapeseed meal and oil?

These are the real questions that matter in the west, not whether some functionary for the CPR claims he was misquoted. We should have an end to these kinds of diversionary tactics which impede the work of the House and its members. What we need are answers to the questions which are on the minds of many westerners, as they see what is supposed to be the fate of this country played out as in Quebec tonight.

I do not doubt that this is so, but I ask the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) to come prepared with answers to this House when questions are asked. It is not an edifying experience to have to sit here and listen while the minister ducks a simple question as to whether the advisory committee of the Canadian Wheat Board was consulted when the initial price of wheat was set this year. Surely one of the minister's dedicated assistants could find that out with a simple telephone call to Winnipeg. If that kind of candor and dedication were more readily displayed, then there would be fewer questions of privilege coming before this House.

Now that the authenticity of the blackmail has been established, would the Minister of Transport answer my question: what does he intend to do in the face of this blackmail?

Mr. Deputy Speaker: The hon. member's time has expired. The hon. Parliamentary Secretary to the Minister of Transport (Mr. Bockstael).

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Dominion Government and the Canadian Pacific Railway entered into the Crowsnest Pass agreement in 1897. In return for certain concessions, the railway agreed to lower rail rates on grain and to maintain them at that level. The Crowsnest Pass rates were incorporated into the Railway Act in 1925. They now apply to western grain moving for export as well as domestic grain moving eastwards to Thunder Bay.

The low rates on grain began to make themselves felt in the 1950s, and the effect upon the railways was recognized by the MacPherson commission from 1959 to 1961. In 1975 the Snavely commission was appointed to identify the costs to the railways of moving grain at statutory rates. The Snavely commission found that the 1974 cost of moving grain was $231 million. Three years later, by 1977, the cost had risen to $354 million. In that same period the railways' share of the costs almost doubled from $89 million to $175.5 million. It is evident that the continued existence of the Crowsnest rate will exert a significant impact upon the finances of our two major railways. The impact of the statutory rate on other parties must not, however, be forgotten.

With respect to the position of Canadian Pacific's proposed $322 million Beavermouth, British Columbia, tunnel project, economic growth forecasts for western Canada in the 1980s will require a marked expansion of railway capacity to move traffic between Calgary, Edmonton and the west coast. While there is an ever-increasing demand for railway capacity, we

are all experiencing a very high inflation rate, which means for railways a very high capital cost for capacity additions. Until now the railways have been able to add capacity in relatively small increments such as dieselization, large capacity cars, and long trains. These methods have been exhausted, and now both CN and CP rail are faced with large, one-time plant capacity expansion programs through the mountains.

The railways have not been able to increase their revenues in relation to the increased requirement for funds. About 22 per cent of the total traffic handled through the Rockies by CP rail is grain which moves on a fixed rate. The minister has requested up-to-date forecasts for grain traffic and a report on capacity expansion from the president of CN by this September. Also, CP Rail is expecting to provide the minister with information on its capacity expansion. With this information we will be able to deal with the important issue of the availability of railway capacity for western Canada.

• (2230)

The minister outlined his views on the Crow rate in the House during the debate on this subject on May 15, 1980, and I need not reiterate them here for the hon. member.

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

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX

(See Friday, May 16, 1980 p. 1165)

FEDERAL AND PROVINCIAL FARM CREDIT PROGRAMS

FEDERAL

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
FARM CREDIT CORPORATION				
Farm Credit Act	Full-time farmer or about to become a full-time farmer. Under the "Beginning Farmer" program, applicants must be full-time farmers within five years.	To establish viable farm units. Loans funds may be used to purchase land, breeding stock and equipment, make improvements and pay debts.	Maximum loan of $200,000 per qualifying applicant to a maximum of $400,000. Interest rate is based on the yield of 5 to 10 year government bonds. Currently set at 13%.	Farm Credit Corp., P.O. Box 6309, Postal Station J, Ottawa, Ontario, 613-996-7921.
Farm Syndicates Credit Act	A group of 3 or more farmers who wish to form a syndicate to jointly purchase and use machinery, equipment or buildings that can be used cooperatively.	To provide the financial means for farmers to act cooperatively in overcoming the cost of individual ownership of machinery, buildings and equipment.	Maximum loan is 80% of the cost to a maximum of $15,000 per member or $100,000, whichever is the lesser. Current interest rate is 13%.	Farm Credit Corp., P.O. Box 6309, Postal Station J, Ottawa, Ontario, 613-996-7921.
FARM IMPROVEMENT LOANS				
Farm Improvement Loans Act	Bona fide farmer.	Farm improvement including the purchase of livestock, equipment, machinery and additional land, constructing buildings and fences, and for drainage, irrigation, etc.	Maximum loan is $75,000. Loans may be used to finance up to 75% of the cost of livestock and equipment and up to 90% for other purposes. Repayment period of 15 years for land and 10 years for other purposes. Interest rate varies with the prime rate of chartered banks plus 1%.	Chartered Banks and approved lending institutions.
FEDERAL BUSINESS DEVELOPMENT BANK				
FBDB Loans	Canadian business.	To promote and assist in the establishment and development of business enterprises in Canada.	Direct loans at competitive interest rates. Rate increases with the size of loan.	FBDB, 901 Victoria Sq., Montreal, Que. H2Z 1R1, FBDB offices in all major cities.
BRITISH COLUMBIA				
Agricultural Land Development Act	Under 65 years old with annual farm income of at least $1,600. Must have resources to make use of developed land.	Land improvement including drainage and irrigation, breaking land, orchard renovation, well drilling.	Maximum loan $15,000, 4% interest rate. Repayment over 15 years. May arrange to have interest payment only for first 3 years.	Dir., Financial Services, B.C. Ministry of Agric., Victoria, B.C. 604-387-5121.
Agricultural Credit Act – Guaranteed Loans.	All farm operations. Gross income must exceed $1,600 and non-farm gross income must be less than $25,000.	Complements services of existing agricultural credit agencies. Provides credit to farmers who cannot qualify for bank loans.	Provincial loan guarantees through chartered banks and credit unions. Interest rate may not exceed prime plus 1%.	Dir., Financial Services, B.C. Ministry of Agric., Victoria, B.C. 604-387-5121.
Interest Reimbursement Program.	Loans made through credit unions, chartered banks, FCC, FBDB and VLA. Loans made for machinery, livestock, land, buildings, improving land, debt consolidation. All farm operations with gross income over $1,600 and non-farm gross income less than $25,000.	Reduce the cost of borrowing by reimbursing a portion of the interest.	Reimburses rate to an average for operating-, intermediate-, and long-term loans from previous year. In 1980, reduces rate to 2% below average bank prime and starting in 1981 to 1% below prime.	Dir., Financial Services, B.C. Ministry of Agric., Victoria, B.C. 604-387-5121.
Peace River Livestock Production Incentive Program.	Beef and sheep producers in the Peace River area.	Encourages producers in Peace River to establish or expand beef cattle and sheep production by purchasing or retaining females for breeding.	Reimburse interest on loans to purchase or retain livestock to a minimum of 4 per cent and 4½ per cent on guaranteed loans. Maximum loan is $10,000 for up to 7 years with interest only for the first 2 years.	Dir., Financial Services, B.C. Ministry of Agric., Victoria, B.C. 604-387-5121.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
ALBERTA				
Direct Farm Loans	Primary producers unable to obtain long-term credit from other sources.	Purchasing land, permanent improvements, consolidating debts and other purposes related to maintaining farm.	Suggested maximum of $150,000. 30-year repayment period. 20% equity required. Interest rate is 12% with a 3% rebate on interest for the first 5 years for full-time farmers. For part-time farmers, the interest rate is 12%.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Beginning Farmer Program (Direct Loan)	Yong person with farm experience or equivalent in college and farm experience and who has 10% equity or vested equity.	All agricultural purposes.	Up to $200,000 for a maximum of 30 years. Total assets and loan cannot exceed $300,000. Interest rate of 12% with a 6% rebate on interest for the first 5 years.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Disaster Assistance Program (Direct Loans).	Farmers who have suffered a natural disaster.	Provides long-term loans to repair and replace buildings and replace livestock.	Recommended maximum of $150,000. Terms and conditions are on the basis of need.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Financial Restructuring Loan Program (Direct Loan)	Ample land for security, good credit history, conditions beyond the farmer's control must have contributed to the situation, and must be a good manager.	Assist farmers whose short-term and long-term debt is out of balance.	Maximum loan is $150,000 for up to 20 years. Interest rate is the direct loan rate (12%).	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Specific Guaranteed Loans.	Borrower is unable to obtain financing from another lender and is a primary producer.	Short- or intermediate-term guaranteed loan for any agricultural asset, operating capital and debt consolidation.	No maximum is specified, but expect that borrower will have 20% equity. Maximum term depends on lending agency.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Vegetable Production Loan Program (Guaranteed Loan).	50% of the borrower's annual net income must be from the farm.	To assist vegetable producers to purchase equipment for vegetable production with a government guaranteed loan. Usually this is an Alberta Farm Development Loan.	An incentive equal to an interest rebate of 2% of the declining principal balance for first 5 years. A maximum of $50,000 for up to 10 years.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Alberta Farm Development Loan (Guaranteed Loan).	Any size of operation is eligible. Only 10 per cent of the total loans made by a lending institution in a 3-year period are guaranteed.	A guaranteed loan for short- and intermediate-term for almost any purpose except debt consolidation.	A maximum of $75,000 for 15 years. Interest = prime + 1% for up to 10 years or prime + 1½% for loans of 11 to 15 years.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
Dairy Development Incentive Program (Guaranteed Loan).	Dairy farmers who wish to improve their dairy facilities.	Assists dairy farmers to secure short- and intermediate-term credit at preferential rates. Funds available for buildings, improving dairy facilities, equipment for milk production and milk quota.	Incentive payments are available at $70 per $1,000 of original loan amount eligible for first 3 years. Maximum loan is $30,000 for individual operators and up to $50,000 for two or more families.	Agricultural Dev. Corporation, 4910-52nd St., Camrose, Alta., 403-672-3347.
SASKATCHEWAN				
FarmStart Corp. Loan & Grant Program.	Those who intend to make farming their principal occupation. Net worth less than $113,000, total assets after loan of less than $200,000 and earn less than $18,000 net income per year. Must be able to retire the loan by 65 years of age.	Credit and grants for those establishing or expanding in livestock including improvement of grazing land, purchasing livestock and machinery, improving livestock facilities and irrigating land.	Maximum loan of $150,000 must not increase individual's productive assets to more than $200,000. The interest rate is set at 8% for the first 5 years and then increases to 10% for loans up to $90,000 and to 12½% for loans over $90,000. Maximum repayment period is 15 yrs. Grant of $8,000 is also available to applicants with a net worth of less than $36,000. A farmer must expand his livestock operation by at least $4 for each $1 of grant.	Sask. FarmStart Corp., Admin. Building, Regina, Sask., 306-565-6460.
Corporate, Cooperative and Partnership Loans.	Cooperatives, corporations and partnerships are eligible for loans but only if every member of the organization is eligible for a loan of about equal amounts.	Credit for establishing or expanding livestock production.	The amount of loan for a multiple operator unit is equal to the sum of the amounts which can be borrowed by each individual member in the above program.	Sask. FarmStart Corp., Admin. Building, Regina, Sask., 306-565-6460.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
Land Bank.	A maximum net worth and maximum average 3-year net incomes are established as part of eligibility criteria. They are reviewed every year.	Transfer land within family. Facilitates transfer of land for people retiring out of agriculture and allows potential farmers an opportunity to rent land. Land Bank will also provide funds for land improvement.	Land is leased on a flexible cash rent basis. Rent is based on productive value of land. Land may be purchased after 5 years of leasing. If purchased, lessee receives 20% discount on home quarter to maximum of $5,000. Balance of land purchased at average market value. The Land Bank does not finance purchases.	Sask. Land Bank Comm., Admin. Building, Regina, Sask. 306-565-5321.
SEDCO	Business must be located in Saskatchewan.	Specialized agricultural operations. Basic farming operations are not eligible.	There are no set maximums but the amount cannot exceed 80% of fixed assets. Long-term loans with no set maximum term.	Sask. Economic Dev. Corp., 900-1867 Hamilton St., Regina, Sask., 306-523-1601.
Rural Housing Program.	Must reside in a community with less than 2,500 pop. Must have a gross family income to meet selection criteria.	Assists low and moderate income families to acquire new homes and improve housing. Promotes use of local materials and financial resources.	A nominal down payment is required. A loan for the balance of approved cost is available. Mortgage will be amortized over 25 years.	Sask. Housing Corp., 2024 Albert St., Regina, Sask. S4P 3P4 306-565-4177.
MANITOBA				
Manitoba Agricultural Credit Corp. (MACC), Direct Loans, Long-Term.	18 years of age or over. Principally occupied in farming or will be after the loan. A resident of Manitoba or will be after the loan.	Long-term direct loan for land, livestock and machinery, permanent improvements and debt consolidation.	Maximum of $150,000 for 30 years up to 90% of security—60% of security must be in land and up to 40% may be in livestock and a maximum of 20% in equipment. 4% interest reduction offered to farmers under 40 on the first $50,000 for first 5 years. Interest rate is ½ per cent over cost of financing to province.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man. 204-786-3401.
Direct Loans Intermediate-Term.	18 years of age or over. Principally occupied in farming or will be after the loan. A resident of Manitoba or will be after the loan.	Intermediate-term direct loans for land, machinery and livestock and permanent improvements.	Maximum of $60,000 up to 90% of value of land and livestock and 65% of machinery. Repayment period is 10 years.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 204-786-3401.
MACC - Corporate, Cooperative and Partnership Loans.	Cooperatives, corporations, partnerships and producer boards are eligible.	To establish and develop multiple-owner farm enterprises for all conventional farming operations and feed lots and vegetable storages.	Maximum determined by Board of Directors approval. Mortgage or floating charge on borrowers' assets. Guaranteed loans are also available. Repayment period is 30 years.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 204-786-3401.
MACC - Farm Production Guaranteed Loans.	Any farmer.	Guarantee lines of credit made to farmers by lending institutions for operating expenses, livestock and equipment.	The loan guarantee and any FIL loan cannot exceed $60,000. Repayable annually or at the completion of a production cycle. For other than operating purposes the term can extend to 10 years. Interest rate is prime plus 1%.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 204-786-3401.
MACC - Specific Comprehensive Guaranteed Loans.	18 years of age and principally occupied in farming.	For land, livestock, machinery, permanent improvements, debt consolidation and operating capital.	Maximum of $200,000 over 30 years. Interest rate is prime plus 1% for loans 10 years or less and prime plus 1½% for loans 10 to 30 years.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 304-786-3401.
Cooperative, Corporate and Partnership Guaranteed Loans.	Cooperatives, corporations, partnerships and producer boards are eligible.	To provide operating capital by a bank or credit union without the borrower having to provide securities.	Terms and conditions are set by the Corporation which guarantees the total loan.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 204-786-3401.
Stocker Program.	Farmers who have feed and facilities to raise calves.	To retain stocker calves in Manitoba.	Farmer agrees to feed steer stocker calves purchased by MACC. Calves may be sold up to 18 months after purchase. Stocker agreements may not exceed 300 head or $60,000 per farmer. Interest rate is the same as that set for Intermediate Term Loans.	Manitoba Agric. Credit Corp., 1500 Notre Dame Ave., Winnipeg, Man., 204-786-3401.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
MANITOBA—(Conc.)				
Farm Diversification Program.	Farmers under 45 years with gross farm sales of between $5,000 and $25,000. Can also accept 15% of the farmers on the program with gross farm sales of less than $4,500 and 10% over 45 years. Must have ability to accept Management advice.	Encourages farmers to diversify into livestock production. Loans for livestock, buildings, machinery, pasture improvement and operating capital.	Maximum loan is $10,000. Grants of $2,000 are available for pasture improvement, fences, corrals, feed facilities, barn and milkhouses.	Economics Branch, Manitoba Dept. of Agriculture, Norquay Bldg., Winnipeg, Man.
Manitoba Development Corporation.	Anyone can apply for assistance.	For any purpose that will benefit the province economically and/or socially.	Variable.	600-428 Portage Ave., Winnipeg, Man., 204-942-0251.
ONTARIO				
Ontario Young Farmers Loan Program.	18-35 years old and intend to farm for at least 10 years.	Intermediate-term credit to help establish young farmers. For farm development purposes such as livestock, equipment, buildings or consolidation of debts.	Maximum 10-year repayment period. Interest rate is 1% above prime rate. Made through chartered banks and designated credit agencies. A promissory note must be signed.	Farm and Rural Development Br., Ontario Ministry of Agric. and Food, Parliament Bldgs., Toronto, Ontario, 416-965-7661.
Farm Lease Program.	Young people with farm experience. People who do not have resources to purchase a farm.	Provides opportunity for young people to start farming on land owned by Ontario Government for future development.	Rental fee based on land available for production, quality of land, farm buildings and farm residence. Five-year leases with option to renew.	Food Land Development Br., Ontario Ministry of Agric. and Food, Parliament Bldgs., Toronto, Ontario, 416-965-9433.
Installation of Agricultural Tile Drainage.	Land must be in agricultural production and owned by a farmer. Drainage work must be completed by a licensed contractor.	Loans are available from the government through township councils for tile drainage.	Up to 75% of the cost of under-drainage work repayable in 10 years. Interest rate is 8%. Loans are secured by the township through a debenture. Maximum loan in a year is $20,000 and maximum in life-time is $60,000.	Food Land Development Br., Ontario Ministry of Agric. and Food, Parliament Bldgs., Toronto, Ontario 416-965-9433.
Ontario Home Renewal Program.	Adjusted family income cannot exceed $12,500.	Assist owner occupants to repair homes especially substandard dwellings with emphasis on faulty structural and sanitary conditions.	Maximum loan cannot exceed $7,500. Maximum amount of forgiveable portion of loan cannot exceed $4,000. Interest rate varies from 0-8%. Maximum term is 20 years. Forgiveable portion is $600 per year.	Community Renewal Branch, Ont. Ministry of Housing, Parliament Bldgs., Queen's Park, Toronto, Ontario, 416-965-2826.
QUEBEC				
Farm Credit Act administered by the Farm Credit Bureau.	Individuals of legal age principally engaged in farming.	For the purchase of farm land, livestock and machinery, constructing buildings, improving land, consolidation of debts, etc.	Up to 39½ years. 2½% interest for first $15,000 and balance at 8%. Maximum loan is presently $250,000 per individual and $450,000 per group. The loan cannot exceed 90% of the appraised value of the property for establishing, expanding and developing an enterprise and 80% of the appraised value of other purposes. For chattel mortgages, the limit is $100,000 for an individual and $200,000 for a group, or up to 80% of the appraised value of chattels, whichever is the lesser.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
Farm Loan Act.	Borrowers under the federal Farm Credit Act and the Veterans' Land Act. To qualify, the borrower must meet the same eligibility criteria as for the Quebec programs.	To subsidize the interest rate charged under the Farm Credit Act and the Veterans' Land Act.	The Quebec Government pays the amount owed to the lending agency in excess of its own rates, i.e. anything over 2½% on the first $15,000 and 8% on the remaining amount.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
Quebec Farm Improvement Loan Act.	Individuals of legal age principally engaged in farming. Need is the main consideration.	Provides for guaranteed loans from chartered banks and credit unions. Provides intermediate financing for purchase of basic herd livestock, quotas, additional land, machinery, farm buildings, and other farm improvements.	Maximum loan is $100,000. repayment up to 10 yrs. except for additional land and tile drainage where limit is 15 yrs. Interest rate is prime plus 1% with interest reimbursement of 3% on first $15,000.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
Act to Promote Long-Term Farm Credit by Private Institutions.	Individuals of legal age principally engaged in farming.	Same as under the Farm Credit Act except private lending institutions provide the funds.	Same as under the Farm Credit Act except private lending institutions provide funds. Farm Credit Bureau rebates the interest and provides funds between 75% and 90% of security value. Interest is rebated to 2½% on first $15,000 and to 8% on the amount between $15,000 and $150,000 for one operator and $200,000 for many operators. The maximum loan is $250,-000 for one operator and $450,000 for more than one operator.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
Act to Promote Credit to Farm Producers.	Individuals of legal age principally engaged in farming.	Provides short-term guaranteed loans for operating expenses for crop and livestock production and for the purchase of standing crops and livestock raised for meat or egg production and for a farmer's salary and living expenses.	Guaranteed loans of $100,000 available from chartered banks and credit unions for up to 30 months at the current rate of interest.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
Act to Promote Special Credit to Agricultural Producers during Critical Periods.	Producers affectd by a disaster.	Special credit to cover losses as a result of exceptional circumstances such as droughts, flood and other natural disasters.	Government guaranteed loan. Each disaster is covered by a different regulation which allows flexibility in the program.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
Act Respecting Farm Loan Insurance and Forestry Loan Insurance.	Loans made by lenders under all the Farm Credit Bureau's Acts.	Guarantees losses incurred by authorized lenders on loans made since Aug. 1, 1978 on all Acts administered by the Bureau.	All loans made under the Acts administered by the Bureau.	Quebec Farm Credit Bureau, 1020 Route de l'Église, Place de Ville 2, Ste. Foy, Quebec, G1V 3V9, 418-643-2610.
NEW BRUNSWICK				
Loans to Full-time Farmers (Part I).	A farmer or qualified person wanting to farm.	Loans for the purchase of farms and additional land, buildings, livestock and equipment and consolidating short-term debts. Leases are also available to assist farmers to establish an economic farm unit.	Term loans to a maximum of $150,000 including any amount extended by FCC on security of personal and real property. The interest rate is set at ½% above province's borrowing rate. For new farmers, the interest is forgiven for 2 years and for the next 5 years there is a 3% rebate. For others, the rate is the provincial rate with a 3% rebate for 5 years.	Farm Adjustment Board, N.B. Dept. of Agric. Bldg., Fredericton, N.B., 506-453-2524.
Loans to Part-Time Farmers (Part II).	Non-farm annual income cannot exceed $15,000 with farm sales not less than $3,000 annually.	Provides loans and leases land to qualified part-time farmers at low interest and rental rates to assist in establishing a viable economic unit.	Term loans to a maximum ot $30,000 on security of personal and real property. Interest rate is provincial rate with a 3% rebate for 5 years. Annual rental fee of leases of $1 for first and second year. 5% of board's investment each subsequent year.	Farm Adjustment Board, N.B. Dept. of Agric. Bldg., Fredericton, N.B., 506-453-2524.
Loans to Commercial Farmers and Agricultural Linkage Operations (Part III).	Commercial farmers and agricultural linkage operations.	Provides loans to commercial farmers and agricultural linkage operations to maximize returns to the producer.	Term loans at prime interest plus 1% to a maximum of $250,000 or $300,000 in the case of joint applicants. Security is taken on personal and real property.	Farm Adjustment Board, N.B. Dept. of Agric. Bldg., Fredericton, N.B., 506-453-2524.
Interest Rebate Program.	All FCC borrowers.	Provides an interest rebate to encourage farmers to borrow from FCC.	Provides for payment of up to 3% of the interest charged by FCC to a maximum loan of $150,000 or a total of $4,500.	Farm Adjustment Board, N.B. Dept. of Agric. Bldg., Fredericton, N.B., 506-453-2524.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
NOVA SCOTIA				
Agriculture and Rural Credit Act				
Loans to Commercial Farms.	A farmer who is over 35 years of age and obtains more than 50% of gross income from farming or who will operate a farm with gross sales over $10,000 annually.	Provides loans to well-established farmers.	Borrow a maximum of $200,000 at 7% interest rate on first $125,000. 8½% on balance up to $200,000. Loan cannot exceed 90% of appraised value of farm land or 75% oif a chattel mortgage is required. Loans over $200,000 are approved by Cabinet.	Nova Scotia Farm Loan Board, Truro, N.S., 902-895-1571.
Loans to Young Farmers.	A farmer under 35 years of age and of legal age.	Assists young farmers to develop viable farm enterprises.	Borrow a maximum of $200,000 for up to 30 years at 6% on first $50,000 and 7% on balance up to $125,000. 8½% on $125,000 - $200,000. Loan cannot exceed 90% of appraised value of farm land or 75% if a chattel mortgage is required. Loans over $200,000 are approved by Cabinet.	Nova Scotia Farm Loan Board, Truro, N.S., 902-895-1571.
Loans to Part-Time Farmers.	Part-time farmers whose main source of income is from off the farm.	Assists part-time farmers to produce agricultural products.	Borrow a maximum of $45,000 or up to 75% of the appraised value of the land and buildings, whichever is lesser. The interest rate is 8½%. Must reach a gross farm income of $5,000 per year by end of 5 years or interest rate adjusted to bank prime plus 1%.	Nova Scotia Farm Loan Board, Truro, N.S., 902-895-1571.
Farm Land Purchase and Leasing Program.	An individual who is or will become a full-time farmer.	Provides assistance to farmers by acquiring land of high agricultural potential for development and leasing or selling to farmers.	Property is leased by the Board for 5 years with an option to purchase. The lease fee is 5% of the purchase price, plus acquisition costs, taxes and insurance. Lease may be renegotiated for 10 years or the land may be bought.	Nova Scotia Farm Loan Board, Truro, N.S., 902-895-1571.
Interest Subsidy Program.	FCC, VLA and N.S. Farm Loan Board borrowers who are commercial farmers.	Subsidize interest rates for borrowers from FCC, VLA or the N.S. Farm Loan Board.	A subsidy of 2½% on principal owing where the interest rate is 5% or more. A subsidy or ½ of the interest rate is paid on funds borrowed at less than 5%. Maximum interest subsidy is $1,250. For young farmers under 35 years, the interest is paid by the province for the first 2 years on FCC and NSFLB loans.	Nova Scotia Farm Loan Board, Truro, N.S., 902-895-1571.
PRINCE EDWARD ISLAND				
Land Development Corporation.	Farmers, producer cooperatives and family farm corporations who want to establish or expand their operation. Part-time farmers are eligible provided they have a gross income of $7,500 from farming with an off-farm maximum adjusted income of $21,000.	Buying and/or improving land. May also hold land for lease and resale. Can also erect buildings on leased land or mortgaged land.	Sells land at cost and may take a mortgage for up to 30 years at rates comparable to FCC. There are no statutory loan limits. Both short-term leases of 1 to 3 years and standard lease of 5 years with an option to purchase. Interest rate on leases is 8.2%. Mortgages 10¾%. Under agreement of sale, may finance up to 80% of market value or under a mortgage up to 75%.	P.E.I. Land Dev. Corp., 156 Richmond St., P.O. Box 1390, Charlottetown, P.E.I., 902-892-4137.

Program	*Eligibility*	*Purpose*	*Terms*	*Contact*
Lending Authority				
—Working Capital Loans.	Borrower must have suitable land resource, machinery and equipment and presently farming.	Provides working capital for cropping expenses, i.e. out of pocket expenses.	Maximum loan based on production cost guidelines and is repayable annually. Security is a crop mortgage, chattel mortgage, collateral mortgage, etc. Loans are supervised.	P.E.I. Lending Authority, 180 Kent St., Charlottetown, P.E.I.
—Intermediate-Term Loans.	Borrower must be currently farming.	Provides intermediate-term loans for farm equipment, farm trucks and livestock.	Loans are repayable from 3 to 5 years depending on type of livestock and equipment. No maximum.	P.E.I. Lending Authority, 180 Kent St., Charlottetown, P.E.I.
—Capital Loans.	Borrower must be currently farming or about to become a farmer.	Provides capital loans for the purchase of farm land and buildings and for the construction of buildings.	No maximum loan. Repayable over 30 years. Cannot exceed 75 per cent of appraised value of fixed assets. Interest rate set by Authority.	P.E.I. Lending Authority, 180 Kent St., Charlottetown, P.E.I.
NEWFOUNDLAND				
Farm Development Loan Board.	Individuals of legal age principally occupied in farming who wish to improve or expand their operation.	Assists farmers to establish viable farms through loans for livestock, equipment, land development and buildings.	Maximum loan of $10,000 for livestock, equipment and land development. Maximum loan of $20,000 for farm building. The maximum term is 15 years and the interest rate is 5%.	Nfld. Farm Dev. Loan Board, P.O. Box 1821, St. John's, Nfld., 709-737-4619.

HOUSE OF COMMONS

Wednesday, May 21, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL ANTHEM

DESIGNATION OF "O CANADA"—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, as yesterday was an historic day for all Canadians, I hope that my colleagues opposite will co-operate so that today may also be an historic day. Under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Considering the importance and necessity of officially recognizing our national anthem, and the continued efforts to that effect made without avail by several members from both sides of this House, I move today, seconded by the hon. member for Provencher (Mr. Epp):

That this House unanimously call on the government to introduce legislation as soon as possible with a view to designating "O Canada" as the national anthem of our country.

Madam Speaker: Under the provisions of Standing Order 43, the introduction of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

QUEBEC REFERENDUM—LEADER OF OPPOSITION DENIED TIME FOR FULL REPLY—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): "Merci, madame le Président." Under the provisions of Standing Order 43, I rise on a matter or urgent importance to many millions of Canadians, namely, the shameful and apparently deliberate exclusion by the CBC's English language television network of a statement by the Leader of the Opposition (Mr. Clark) in last evening's Quebec referendum program.

I would therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House condemns the officials responsible in the CBC, as the people's national network, for denying the Leader of Her Majesty's Loyal Opposition time for his full reply in all parts of Canada to the historic decision taken in Quebec and affecting all Canadians.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

QUEBEC REFERENDUM—CONSTITUTIONAL CHANGE—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that last night's Quebec referendum resulted in strong support for Canadian unity and constitutional reform, and was a triumph for participatory democracy, I would move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House go on record on behalf of the Canadian people to congratulate the people of Quebec for endorsing the process of constitutional change with an expression of unity.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

An hon. Member: No.

Some hon. Members: Oh, oh!

Madam Speaker: I am sorry; I did hear a "No". I will put the question again, if it is proper. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

S.O. 43

PUBLIC SERVICE

POLICY TO REDUCE NUMBER OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Since the President of the Treasury Board (Mr. Johnston) is apparently preparing a "pain-free" policy to reduce the size of the public service—he has been quoted as saying we are in a period of restraint, and that it has to continue—and since, despite a further statement that he is concerned about morale in the public service, he has indicated he will use lay-offs as part of his policy, I would move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House instruct the President of the Treasury Board to table in this House his program of "pain-free" cutbacks before he takes any action on this matter, and that any plans he formulates should include a list of program and service reductions which would occur and a list of any contracting-out of government services which would result from the illusion of a government restraint program.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HUMAN RIGHTS ACT

CALL FOR AMENDMENTS TO PROVIDE PROTECTION AGAINST DISCRIMINATION OF DISABLED CITIZENS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, under Standing Order 43 I am raising a matter of urgent and pressing necessity.

Arising from the fact that active support from the new government for the Rehabilitation International Congress, which opens in Winnipeg in June, has been lagging, and realizing that our attitude toward the handicapped is often their biggest handicap, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the government move immediately to amend the Human Rights Act to provide full protection against discrimination for Canada's disabled citizens, particularly in the areas of unemployment, education, transportation and access, and also take steps to broaden the definition of disability in the Income Tax Act in order to make independent living financially possible for the disabled, rather than having them dependent on expensive institutional care.

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

Some hon. Members: Agreed.

Some hon. Members: No.

FOREST FIRES

ALBERTA—REQUEST ARMED FORCES ASSIST IN FIREFIGHTING—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing emergency which I am sure will gain the support of all members on both sides of this House.

In light of the number of forest fires now burning in northern Alberta and the serious threat this poses to wildlife, forests and people, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House instruct the government, at the request of the provinces, to call in the armed forces of Canada to assist the present fire-fighting forces and that the federal government assist in any manner possible.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENT BUILDINGS

DISTRIBUTION OF FLAGS FLOWN ON PARLIAMENT HILL—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise, under the provisions of Standing Order 43, to seek the unanimous consent of the House on a matter of urgent and pressing necessity.

Given the fact that there are occasions when members of Parliament present Canadian flags to organizations, municipalities and, on special occasions, honouring outstanding Canadian citizens, and given the fact that the United States has adopted a method whereby outstanding citizens may receive a flag which is suitably packaged and which at one time had flown over their capital, I move, seconded by the hon. member for Welland (Mr. Parent):

That at least one flag be removed daily from the Parliament Buildings, suitably packaged, the date affixed as to the day it had flown over Parliament, and then made available to members of Parliament for special occasions.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Collenette said "No".

Mr. Hnatyshyn: Doctor No again.

NATIONAL UNITY

QUEBEC REFERENDUM—NEGOTIATIONS ON AMENDING CONSTITUTION—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of the result of the Quebec referendum which last night gave the "Non" supporters a majority, and given the undertaking of the Prime Minister (Mr. Trudeau), in the event of a "Non" victory, to put into place the mechanism required to modify the constitution and renew Canadian federalism, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House express its pleasure at the vote's result, which indicated that a majority of Quebeckers favoured the federalist option and, further, encourage the federal Parliament and provincial legislatures to commence immediately constitutional negotiations aimed at renewed federalism.

Mr. Nielsen: You left out the territories.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: You left out the north.

* * *

AIRPORTS

FORT McMURRAY, ALBERTA—CONSTRUCTION OF NEW TERMINAL—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the airport terminal building in Fort McMurray, Alberta, was built in 1962 to service a population then of 3,000, which is now close to 30,000 and anticipated to be 60,000 by 1990 due to tar sands development, and that the totally inadequate terminal building requires passengers today to wait up to 45 minutes for baggage clearance, while the plane trip from Edmonton to Fort McMurray, Alberta, requires 35 minutes, I move, seconded by the hon. member for Calgary North (Mr. Wright):

● (1415)

That this House requests the Minister of Transport to give urgent priority to the construction of a new airport terminal building in Fort McMurray, Alberta, and that if the hon. minister does not know where Fort McMurray is, that the Minister of Energy, Mines and Resources, supply him with a map.

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

Some hon. Members: Agreed.

Some hon. Members: No.

SMALL BUSINESS

INTRODUCTION OF DEVELOPMENT BONDS—MOTION UNDER S.O. 43

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

In view of this government's commitment to introduce the small business development bond as a temporary interest and tax relief measure to assist Canadian small business, particularly during these times of high borrowing costs, I move, seconded by the hon. member for Beaches (Mr. Young):

That the Minister of Finance take immediate steps to implement this very important program.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL CONFERENCES

DATE AND AGENDA OF NEXT CONFERENCE

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct my question, in the absence of the Prime Minister, to either the Acting Prime Minister or the President of the Privy Council. I hope, in light of the events of yesterday, that you will allow me, Madam Speaker, a few words to put the question into context.

I want to begin by congratulating all federalists in the province of Quebec who overwhelmingly demonstrated their faith in Canada and their desire to live and work within the Canadian family. I should also like to take the opportunity to congratulate Mr. Claude Ryan for his leadership and courage in leading the federalist cause in that province.

Some hon. Members: Hear, hear!

Mr. Epp: As a member of this House, I think I can say that all of us would recognize that we are proud of the role played by the right hon. Prime Minister and the right hon. Leader of the Opposition, as well as members of the House who have stood together in the cause of Canada.

Some hon. Members: Hear, hear!

Mr. Epp: There are times when we in this House put aside our partisan interests and when we demonstrate we are proud to be Canadians. Today is such an occasion.

Finally, before I put my question, may I say that many prayers were also said by Canadians of all faiths that Almighty God might bring healing and reconciliation to our land. Our prayers have been answered and it is now our opportunity to be peacemakers and nation builders.

I should like to ask the Acting Prime Minister whether the Prime Minister has set a specific date for a federal-provincial conference, and if he has communicated that message to the premiers as to the date as well as to the agenda of a federal-provincial conference and, if so, would he table copies of that correspondence?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, at the beginning, I would like to endorse the sentiments which have been expressed so well by the hon. member with respect to the results yesterday and with respect to those who participated so successfully in the referendum outcome.

Obviously, every member of the House is pleased that Quebeckers have decided in a very clearcut way to remain within Canada and to seek their future within the federalist system. We also recognize that in voting No yesterday, Quebeckers accepted the notion that it was a vote for a future change in our constitutional arrangements. That, of course, is the point of the hon. member's question.

The Prime Minister, as my hon. friend may know, will be making a statement at three o'clock, followed by the Leader of the Opposition and the Leader of the NDP. At that time I believe he will outline as clearly as he can the steps that will be taken in order to accelerate the process that we have been discussing, and in order to take advantage of the momentum that has obviously been created by yesterday's historic event.

● (1420)

Mr. Epp: Madam Speaker, my supplementary question is directed to the Acting Prime Minister. Many of us look at yesterday and the events surrounding May 20 as an opportunity for a new beginning that does not exclusively pertain to any one region, but encompasses the entire country.

In view of that recognition, I should like to ask the Acting Prime Minister whether the government has given consideration, that after the federal-provincial conference is held, a larger forum for a broader constitutional meeting be established with a regular schedule, a meeting which would include not only the premiers and the members of the federal government, but also would include the Leader of the Opposition and the leaders of other political parties, as well as elected officials and Canadians from other parts of the country.

Mr. MacEachen: Madam Speaker, the Prime Minister has already made it clear that it is the intention of the government, obviously, to consult with Parliament and to consult with the provinces at an early date to begin the process of constitutional renewal.

The hon. member has added another suggestion that to my knowledge has not been discussed by the government in recent days. But it is one, obviously, that one would want to consider, particularly if it would accelerate the process that we would want to accelerate.

* * *

[*Translation*]

THE CONSTITUTION

REQUEST FOR DEBATE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I should like to put a question to the President of the Privy Council. Now that the referendum debate has ended and the constitutional reform is about to start, will the minister get an in-depth debate on that important subject under way here in Parliament, so that the federal proposals can reflect the opinions of all hon. members and all parts of the country?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I can assure the hon. member, with the deep respect in which we hold that noble institution, that we shall endeavour to do all that is necessary to make it possible for hon. members of all the parties to be involved in the process of renewing our constitution and renewing Canadian federalism. Her suggestion is interesting and I am convinced that the right hon. Prime Minister of Canada will surely take it into account when the process of renewing our federation gets under way.

Whether the provinces should first be consulted or whether the matter should first be put before Parliament is a question of procedure which must be decided very shortly. In any event, the spirit of the suggestion made by the hon. member will surely be respected and I am convinced that Parliament will have a very useful role to play in the process of renewing the Canadian constitution.

INQUIRY WHETHER GOVERNMENT PROPOSALS WILL BE SUFFICIENTLY FLEXIBLE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, on a supplementary, can the minister assure us that the proposals of the government for changing the constitution will have the flexibility required, or will it merely be a repetition of Bill C-60?

Hon. Yvon Pinard (President of the Privy Council): I can assure the hon. member that, in light of the referendum results we witnessed last night, it is very obvious that change is wanted; so, the changes that will be suggested and discussed will be those that are needed in the context of the 1980s to make Canada even more viable, more vigorous and more united than ever.

[*English*]

GOVERNMENT POSITION IN CONSTITUTIONAL DEBATE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Acting Prime Minister. I should like to ask him what will be the federal government position in the constitutional debate. Can he tell us whether or not it is the intention of the government to reintroduce Bill C-60, which was before a previous Parliament, in the form it was in then; or do they suggest reintroducing that bill in some other form, or perhaps tabling a white paper? In what way will they introduce the constitutional debate?

● (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated earlier, the Prime Minister will be outlining in some detail later today the steps he has in mind. But I would say it is not the intention of the government, nor has any decision been reached, to reintroduce Bill C-60.

Mr. Nystrom: Madam Speaker, I would like to ask the Deputy Prime Minister whether he can make a commitment that the government will be making some proposals to the House of Commons before it goes to the provinces. Can he make a commitment that we will have a chance to debate some proposals in this House, so that members of all parties have the opportunity of some input into the federal position?

Mr. MacEachen: Madam Speaker, the President of the Privy Council has already indicated in reply to an earlier question that it is the intention and the desire of the government to involve Parliament in this process, and it seems to me it is an absolute requirement that members of the House have the opportunity to make a contribution and express their ideas.

The hon. member is saying today that before making any proposals to the provinces, we ought to have a debate in the House so that members can express their views. While that is a possibility, and I am not rejecting it out of hand at all, I think we have to take a little time to decide which comes first. It may be that the Prime Minister will have some points to make on that matter later today.

[*Translation*]

INQUIRY AS TO GOVERNMENT PRIORITIES CONCERNING REFORM

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is again to the Deputy Prime Minister. Can the Deputy Prime Minister indicate to the House the government's priorities regarding constitutional affairs?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, as the minister responsible for this issue, I can say that we intend to proceed without delay. As other ministers have said, we believe that a No victory yesterday gave a clear indication to all Canadians that Quebeckers want change, those who voted No as well as a good number of those who voted Yes and who, in this manner, wanted to tell Canadians that they were not satisfied with the status quo. We intend to proceed without delay. But Canada is a federation and we must consult the provinces; we intend to consult both the provinces and Parliament and to act very soon.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

QUEBEC REFERENDUM—LEADER OF OPPOSITION'S STATEMENT EXCLUDED FROM ENGLISH TELECAST

Mr. Geoff Scott (Hamilton-Wentworth): "Merci, madame le Président." My question is for the minister who reports to Parliament for the CBC. In view of the commendable and prominent role taken by the right hon. Leader of the Opposition on behalf of the "Non" side in the Quebec referendum campaign—

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): —I wonder whether the minister could explain to this House why the former Prime Minister's statement was excluded from the CBC's live television coverage last night on the English-language network; at least, in many parts of this country. I understand it was carried on the French network, but I would like to know why it was excluded from the English telecast.

An hon. Member: It wasn't newsworthy.

Some hon. Members: Oh, oh!

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I would just like to add that on this side of the House we also felt that the contribution by the right hon. Leader of the Opposition to the campaign was, indeed, a most worth while one and a most welcome one.

Some hon. Members: Hear, hear!

● (1430)

Mr. Fox: As far as the precise question raised by the hon. member is concerned, I would be pleased to bring the matter to the immediate attention of the president of the CBC for his consideration and further reply.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I wonder if, when the minister is checking with Mr. Johnson for an explanation, he would also convey to him and to the corporation the unanimous displeasure of this House for this unfortunate and gross omission.

Some hon. Members: Hear, hear!

Mr. Fox: Madam Speaker, I will surely bring the matter to the attention of the president of the CBC, and I shall make

known the point of view expressed by the hon. member in his very strong terms.

* * *

FINANCE

OIL IMPORT COMPENSATION SUBSIDY—GOVERNMENT INTENTIONS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a question for the Deputy Prime Minister in his capacity as Minister of Finance.

Mr. Crosbie: He has no capacity for that.

Mr. Andre: In his mini-budget on April 21, the Minister of Finance indicated that he expected to reduce the $3.1 billion import compensation subsidy by $1 billion this fiscal year. Given the general price increases in imports by all the major oil exporting countries, including a $4 a barrel increase by Canada's major supplier, Venezuela, can the minister tell the House whether it is still his intention to reduce the oil import compensation subsidy by $1 billion to $2.1 billion for this fiscal year?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I said in my economic statement on April 21, a blended price system could achieve savings of up to $1 billion.

Mr. Crosbie: How?

Mr. Hnatyshyn: I see it now. That is very interesting.

Mr. MacEachen: In fact, if I recall the words exactly, they were "as much as $1 billion".

Mr. Hnatyshyn: You are a great laugh, Allan.

Mr. MacEachen: That is what was said. Obviously, the changes that have taken place in the price of international supplies affect that estimate, as the estimates were greatly increased as a result of increases in oil prices that occurred from December to April. That is one of the unfortunate facts with which a minister of finance must wrestle.

I can only tell the hon. member that the blended price system can achieve results, but the greater the increase in international prices, the greater the difficulty.

Mr. Andre: Madam Speaker, the Minister of Finance, when faced with this horrendous $14.7 billion deficit figure, indicated "Don't worry; we will take off $1 billion from the import compensation to reduce that." Now the minister seems to be wavering.

Could the minister confirm to the House, in order to meet the campaign commitment of less than a $4 a barrel increase in domestic crude oil this year, that he will in fact violate the commitment which he made a month ago today, on April 21, to the House about reducing the import compensation program?

While the minister is on his feet, perhaps he would indicate what he expects the import compensation program to be for this year, since we now know what the price of imported crude oil will cost and, therefore, the demand upon that fund.

Mr. MacEachen: Madam Speaker, I want to assure the hon. member that it is not my intention to violate any of the commitments that were made in the April 21 economic statement. With respect to the question as to what is now the precise burden of the oil import compensation program, I would be pleased to get those updated figures and make them available to the House and to the hon. member.

* * *

AGRICULTURE

MEASURES TO HELP FARMERS IF DROUGHT OCCURS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question for the Minister of Agriculture. It relates to the very serious situation in western Canada with regard to the lack of rainfall. As the minister is aware, there has been a considerable lack of rain, not only over this past spring but over the past winter and the previous fall. This lack of rain has resulted, in many areas, in poor germination, a lack of water and a lack of pasture for grazing animals.

I know that the minister convened a federal task force in Regina which was set up to assess this situation. Would the minister now be prepared to go ahead and assume some responsibility in terms of co-ordinating the various efforts of the provincial governments and some of the local governments to not only transport feed and animals around the pasture, but to pump water to some areas which do not have a water supply?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is aware that several federal departments are involved besides the Department of Agriculture, including the Department of Regional Economic Expansion. They are working very closely with the provincial departments which are also involved.

We have received a preliminary report from these groups. I believe that the minister in charge of the Wheat Board attended one of the meetings informally. However, we hope to be meeting shortly in a more formal way with the provincial ministers to put some of the things mentioned by the hon. member into force.

Mr. Mayer: Madam Speaker, any of the programs which can be put into place will be welcome. Another potential problem which is showing up is the lack of pasture. As a result, many producers will be forced into liquidating some of their breeding stock. Would the minister give this House the commitment that he will think about feed supplies as they relate to not only the summer but the fall?

In view of the fact that we are now in some cases looking for feed grain from the Canadian Wheat Board, would the minister take steps, now, to see that there will be adequate feed for the summer, into the fall and possibly into the winter? Doing this would go a long way to assuring producers they will not have to sell some of their breeding herds.

Mr. Whelan: Madam Speaker, I have already had a meeting with the minister in charge of the Wheat Board from Saskatchewan, from the other place. That was about one hour ago. We discussed this very matter to make sure that an ample amount of feed grain is kept in position in western Canada.

The hon. member mentioned the supply of fodder, forage, etc. We will be using the contingency plans which were put in place in 1977 and which are still there to be used if the weather continues to be dry.

We know that the pastures are very bad and that there are no huge stocks of any of the normal forages that will be necessary. We will be taking surveys, if they have not already started, in central and eastern Canada to determine what stocks there are there. The emergency programs will be used to harvest products here if the dry weather continues.

However, we are still praying. I heard an hon. member say that our prayers were answered last night. Who knows; they may be answered before the end of May. I am told that if we get rain before the end of May, many of our problems will be partly solved.

* * *

HOUSE OF COMMONS

DENIAL OF COST OF LIVING INCREASE TO CERTAIN EMPLOYEES

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is to the government House leader as a member of the Commission of Internal Economy. It concerns an announcement made yesterday to the effect that some 300 House of Commons employees, mainly in the committees and publications branches, have been denied cost of living increases which are to be awarded soon to other groups of Commons employees. There will be a delay of some eight months, until next December, pending a study to be undertaken dealing with, among other matters, reclassification, pay scales, and so forth.

Since there is no question that this decision of the Commissioners of Internal Economy will cause hardship to at least some of the frozen employees, has the government considered granting a "without prejudice" COLA increase for the period between now and December when, presumably, new classifications and pay scales will apply?

Madam Speaker: Order, please. This is a matter which is clearly under my jurisdiction. The hon. member is referring to discussions which have been taking place between officials of the House of Commons and some employees of the House of Commons. If the hon. member wishes to have supplementary information about these questions, he can come to my office or send me a letter. I would be only too glad to answer his queries.

Mr. Rose: Madam Speaker, I accept your kind invitation. My supplementary does not deal with matters which are before your jurisdiction at the moment. May I be allowed to proceed with my supplementary to the same minister?

The existing administrative problems, plus the need for extensive revision of classification, pay scales, grievance and appeal procedures are due in large measure to the traditional denial of collective bargaining rights by House of Commons staff. Since a 1967 parliamentary committee unanimously recommended the granting of equivalent rights to House of Commons employees as are accorded to other public servants, can the enlightened minister tell the House when the government intends to extend long overdue, basic collective bargaining rights to employees of this institution?

● (1440)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): In no way would I appeal directly or indirectly the decision which Madam Speaker has just rendered. The working conditions of House of Commons employees are indeed being reviewed by our Internal Economy Committee which is chaired by the Speaker of the House. A number of meetings have already been held concerning this, others will be held, and I certainly do not intend to report today to the House on the progress of these discussions within the Internal Economy Committee. I might add, however, that the welfare and good working conditions of House of Commons employees are in good hands.

* * *

[*English*]

AGRICULTURE

REQUEST DOMESTIC PRICE OF WHEAT BE INCREASED TO ASSIST WESTERN FARMERS

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the Minister of Agriculture regarding the very serious problem of drought and the high cost of farm operations in western Canada.

In regard to the domestic wheat price paid to farmers in this very serious area, I wonder if the minister would reconsider increasing the domestic price of wheat to $6 per bushel in order to give immediate relief to farmers in that area.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I will discuss this with my colleagues who are also concerned with the problem.

Oral Questions

HUMAN RIGHTS ACT

CALL FOR AMENDMENTS TO PROVIDE PROTECTION AGAINST DISCRIMINATION OF DISABLED CITIZENS

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, my question is for the Minister of National Health and Welfare. The minister announced outside the House last Thursday, at long last, that she was activating the Canadian Organizing Committee for the 1981 International Year of Disabled Persons.

In order to make certain that 1980 and 1981 will really be banner years for Canada's disabled citizens, will she assure the House that the government will proceed to amend the Human Rights Act in order to provide full protection to the disabled against discrimination, a commitment that was made by the Conservative government and reinforced in the Speech from the Throne? Will this be done before the Rehabilitation International Congress which opens in Winnipeg on June 22?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, since the House has set up a committee made up of representatives from the various parties in the House, including the hon. member, to look into the problems of all handicapped persons in Canada, I feel it would be more appropriate to wait for the representations which both handicapped persons and hon. members will make to the committee; I am aware, as I said, that the hon. member is particularly eager to amend the Canadian Human Rights Act to protect all handicapped from discrimination. That is a matter which we have looked into ourselves in all the departments concerned and which, in turn, the committee will surely want to look into.

[*English*]

Mr. Dinsdale: Madam Speaker, I am interested in the reference by the minister to the Committee on the Handicapped. As she knows, this committee was delayed because of the election. It was appointed on November 29.

Is the minister informing the House that this select committee is going to be reactivated so that it may complete its study and report in time for the International Year of Disabled Persons in 1981? It had been my understanding that the committee had been transformed into a task force. Are we now proceeding with a select committee which will report directly to Parliament on all matters pertaining to services to the handicapped?

Miss Bégin: Unfortunately, Madam Speaker, I am no specialist in power struggles between some hon. members. I do not know of the different suggestions of problems made by the hon. member. To my knowledge, there was a proposal for a task force which was to start work as soon as possible. It was delayed by the party of the hon. member in interparty negotiations.

I am very anxious that the matter find a solution and that hon. members of all parties start working on that committee. Perhaps the hon. member could convey his sense of urgency to his leader in the discussions between House leaders.

Mr. Dinsdale: A further supplementary question, Madam Speaker. Inasmuch as this committee started work last November 29 and was interrupted by the election, I am asking the minister if it is going to be reactivated in its original form.

Miss Bégin: Madam Speaker, we had supported the first committee. Democracy interrupted the course of events for a few months. I thought the hon. member had already had a few meetings himself with the chairman of the committee. I do not quite understand the game in which he tries to catch me.

* * *

VETERANS AFFAIRS

INTRODUCTION OF LEGISLATION TO IMPROVE PENSIONS OF WIDOWS OF VETERANS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of Veterans Affairs. In view of the urgent need for the long promised legislation to provide pensions to widows of veterans where the veteran's disability pension was rated below 48 per cent, and in view of the assurance given to me last Thursday by the President of the Privy Council that I would not have to ask this question many more times, can the minister say how soon he will be bringing in that bill?

Mr. Nielsen: Or how many more times you have to ask the question?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, in response to the hon. member's question, I cannot give a definite date but most of the work has been done. The legislation that was brought in previously, as I have said before in this House, was good legislation. I have reviewed it and I am making some adjustments. I hope to be able to bring it forward, at least before my cabinet colleagues, before too long.

Mr. Knowles: Madam Speaker, may I put a supplementary question to the minister. When that legislation is brought in, will it also deal with the matter of tying the basic rate of the disability pension to the formula established in 1973, instead of having to relegislate it every few years? Will it also bring forward the promised revision of the War Veterans Allowance Act?

Mr. MacDonald: The last question first, Madam Speaker. The revision of the War Veterans Allowance Act will be completed before very long and we will be dealing with that. We have a portion of it now. As far as adjustments to the disability pension are concerned, we reviewed that recently, but I do not contemplate bringing that legislation before the House at the present time.

Mr. Knowles: Ten o'clock.

ENERGY

PETROLEUM—ONE-PRICE POLICY FOR CANADA

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is directed to the Deputy Prime Minister and the Minister of Finance and is supplementary to the questions asked by the hon. member for Calgary Centre.

Will the minister give assurance to this House and to the residents of eastern Canada that the petroleum import subsidy will continue, in order to maintain a one-price policy for Canada and to protect eastern Canadian consumers from the unconscionable, unjust and unreasonable prices imposed by the OPEC Shylocks?

Mr. Crosbie: Be careful.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not the intention of the government to terminate this particular program until a successful negotiation and the application of a blended price.

Mr. Hnatyshyn: You are finished.

* * *

THE CANADIAN ECONOMY

STEPS TO OVERCOME EFFECTS IN CANADA OF U.S. RECESSION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Minister of Finance, the acting deputy minister. It was announced in Newfoundland yesterday that Wabush Mine, which operates an iron ore mine in Labrador, has suffered a 15 per cent loss of sales of its product to the United States this year because of depression or recession in the United States, and as a result for one month—the month of July—all of its workers are going to be laid off or have to go on their holidays.

What steps is the minister taking to try to overcome such effects of the recession in the United States as are now becoming evident in Canada? What steps is he taking to overcome these effects? Can he take any steps at all? What is his position on this?

• (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): With respect to the workers affected by the lay-off, as the hon. member knows, they will be able to take advantage of programs especially in place at the present time to get them over what the hon. member describes as a short period.

In connection with the recession that may be taking place and is undoubtedly beginning in the United States, the hon. member raises a question that is very broad indeed. As he knows, there are only, in a sense, two ways that one can act in circumstances of this kind; that is, through increased spending or through reduced taxes in order to stimulate the Canadian economy. I have not yet reached the conclusion that that is an appropriate stance to take at the present time.

Mr. Crosbie: The minister has now been in office since the end of February. He has taken a very sanguine and somewhat lackadaisical attitude toward these economic problems. I ask the minister this: the forecast in the United States now is that the U.S. recession—and this is the consensus of the economists—is going to run from at least this current quarter to the end of the year with a drop in real output of 2.6 per cent. This, obviously, will have very severe effects on Canada, since 75 per cent of our exports go to the U.S.

We have just seen the effects of this in Labrador and the iron mining industry. Will the minister give us an up-to-date forecast by his department—or can he supply that now—of what they expect economic growth will be in Canada this year? Has the forecast changed since his mini-budget that he bootlegged into the House in April? Has it now changed? Is the forecast worse? If it is, what steps is he contemplating taking, or is he worrying about the situation at all?

Mr. MacEachen: As the hon. member knows, in the statement made in the House on April 21, I attempted to set forth what the prospects were for the Canadian economy. I did reduce somewhat the projections for growth which the hon. member had presented previously, in December. I have not yet changed those economic forecasts.

However, I would tell the hon. member that in these circumstances it may be very difficult for Canada to insulate itself completely from the effects of a recession in the United States. I would also add that if he is suggesting in these circumstances the Minister of Finance take steps to increase the deficit further, probably in the long run we would be doing more damage to the future of the Canadian economy than we would be in taking a short-run step of that kind.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

DETRIMENTAL EFFECTS FROM VOLCANIC ASH ERUPTION OF MOUNT ST. HELENS

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is for the Minister of the Environment. In view of the massive fall-out patterns displayed by the volcanic ash created by the eruption of Mount St. Helens, and considering the presence of this ash at a time when climatic conditions in western Canada are already approaching that of a drought, does the minister intend to immediately commission a study to examine the effects of the ash fall-out on wildlife, forests, agriculture and climate?

Has the government yet initiated any investigation, in particular this minister in his role as a member of the planning and policy committee for civil defence, as a precaution against the eruption of Mount Baker, which is located just across the

border from Vancouver and is, in fact, listed as an active volcano by the United States Geological Survey and has shown increased signs of activity recently?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I thank the hon. member for his suggestion. As to the first part of his question, the atmospheric environment service has already under investigation the long-term effects of the eruption, so it may not be necessary at this time to establish the commission the hon. member requested. I will look into the situation as far as Mount Baker is concerned and report back to him.

Mr. Wenman: Madam Speaker, my supplementary question is directed to the Acting Prime Minister. In view of the continent-wide fall-out patterns displayed by the volcanic debris from the Mount St. Helens eruption—I might add that that particular cloud is so far-reaching that it in fact passed over Ottawa las night—and considering that these patterns are very similar to that of a radioactive cloud that would be created by a nuclear explosion, and in view of the Prime Minister's tentative response to my question that he would look into this matter last week, can the Acting Prime Minister, who shares responsibility for civil defence planning policies, now offer his assurances to the House that Canadians would be adequately protected against a similar radioactive fall-out pattern resulting from a nuclear war of much greater magnitude than the eruption of St. Helens?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for giving an indication this morning to the Prime Minister's office that he would be raising this matter. All I can tell him at the present time is that there are plans in place to protect Canadians against radioactive fall-out. The responsibility for the detailed implementation of these plans is in the hands of the provinces, but the Department of Public Works and the Department of National Defence are the federal departments that have the most direct responsibility in this field.

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CANADIAN FILM DEVELOPMENT CORPORATION

RESIGNATION OF MICHAEL McCABE—AMOUNT OF SEVERANCE PAY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Secretary of State. As he knows, the head of the CFDC, Mr. Michael McCabe, resigned. Can he confirm that Mr. McCabe was given one year's full salary for severance pay and, if so, is that not a little too much solicitude for somebody who has resigned?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, Mr. McCabe did, indeed, tender his resignation from the Canadian Film Development Corporation two weeks ago, I believe. The resignation is effective at the end of June. I am not aware of what administrative arrangements he has come to to negotiate with the corporation upon termination of his assignment with them.

Mr. Friesen: Two years ago, when Mr. McCabe came into that position, he was given the highest recommendation by the former secretary of state, the present Minister of the Environment—indeed, very great accolades. I would ask the Secretary of State the reasons for the resignation, if he had all the competence that the former secretary of state said he had.

Mr. Fox: Madam Speaker, I would like to say, on behalf of Mr. McCabe, that the Canadian Film Development Corporation has known a great deal of activity and has been very successful in the two years that he has been the executive director of the corporation.

He indicated in his letter of resignation that he felt he had made his contribution to the corporation, that he wished to return to the private sector, and he thought this was the best time to leave the corporation so that he could pursue his own private interests in the future.

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THE CANADIAN ECONOMY

MEASURES TO AVOID FURTHER SLOWDOWN

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance. Given that it takes at least six months for any change in taxation arrangements, or any other stimulus in the economy, to have some effect in combating recession, and given that any substantial increase in the price of oil and, indeed, of natural gas is the equivalent of a very serious tax increase at a time when Canada is heading into a recession, I wonder if the minister is aware and if he would care to comment on the fact that if he waits on any budgetary measures until the fall, this in effect means that the slowdown of the Canadian economy which is already taking place will have taken hold by the fall and will have a firm grip on the country later on.

Is he serious in saying that he does not contemplate taking any measures other than the energy price increases until the fall of this year?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not believe very much in bringing in a budget that is based upon assumptions rather than facts. That is the difficulty that exists at the present time.

I would also add, in reply to my hon. friend, that I am not satisfied in my own mind that if I were bringing in a budget tomorrow it would be in Canada's interest to run up a further deficit in an effort to insulate the Canadian economy from a possible recession in the U.S. economy. I am ready to receive views on that subject, but certainly I have not reached that conclusion in my own mind yet.

• (1500)

Mr. Rae: We have all heard of the invisible hand, but this is the first time we have been offered a virtually invisible policy and a virtually invisible Minister of Finance at a time when the country is looking for leadership. The minister has had some time in which to make up his mind, and I think it is about time he did so.

He stated in this interview in the *Star* that he was particularly concerned about the current account deficit. Given his concern about the level of the current account deficit, how can he justify an interest rate policy applied by the governor of the Bank of Canada which would only have the effect of discouraging investment, exports and export-related industries and drive us into debt as we attract even more foreign investment?

Mr. MacEachen: Madam Speaker, I am surprised that the financial critic for the New Democratic Party would have the gall to discuss interest rate policy. His party put forward a motion just after the House opened asking us to reduce interest rates by two points. Presumably his party regarded that as the norm. Well, rates are less than that norm today.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. CROMBIE—STATEMENTS MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. David Crombie (Rosedale): Madam Speaker, I rise on a question of privilege in relation to statements made by the Minister of National Health and Welfare (Miss Bégin).

[*Editor's Note: At this point the Prime Minister entered the chamber and was accorded a standing ovation.*]

[*Editor's Note: The Leader of the Official Opposition entered the chamber.*]

Some hon. Members: Hear, hear!

Mr. Crombie: Madam Speaker, when I gave notice of my question of privilege I did, indeed, think it was of importance. But I had no idea it would command the kind of attention it has received.

Some hon. Members: Oh, oh!

Mr. Crombie: I should like to thank the Prime Minister (Mr. Trudeau) and my right hon. friend the Leader of the Opposition (Mr. Clark) for attending and I make this offer through you, Madam Speaker; should either of these gentlemen wish to make a statement I would be only too glad to yield the floor and raise my question of privilege later.

Some hon. Members: Hear, hear!

[*Translation*]

QUEBEC REFERENDUM RESULT

STEPS TO IMPLEMENT CONSTITUTIONAL CHANGE

Madam Speaker: I understand that the right hon. Prime Minister (Mr. Trudeau) and other party leaders wish to make statements, but these should be made when statements are called. I do not think there is agreement to change the order of business but, if there is unanimous consent, I am willing to accept now the statement of the right hon. Prime Minister as well as those of the other party leaders.

Is there unanimous consent from the House to hear the right hon. Prime Minister now?

Some hon. Members: Agreed.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, yesterday, in a provincial referendum, the people of Quebec opted overwhelmingly for the continuation of the Canadian experiment.

It was under trying circumstances that the people of Quebec had to make this fundamental choice. The question forced them to affirm their allegiance to Canada by a negative vote whereas, being people of action and people looking toward the future, they would much rather have done so in a more explicit and more affirmative way. They were forced to say no to an impasse, to a negotiation which was doomed right from the outset whereas, as people of progress and change, they would have preferred to open even wider the doors to renewal and reform. That fundamental choice has often been very painful since in the passionate atmosphere in which the referendum was held, they were urged to dissociate and even to oppose on the one hand their loyalty toward their French heritage, which is fundamental, and their affection for Quebec, which is extremely deep, and, on the other hand, their sense of belonging in Canada which is indestructible.

I must therefore commend, first of all, the men and women who had the strength to say no in spite of all the attractive features with which that political rupture, which would also have become an internal conflict, had been embellished. But I also hasten to express my respect to those who, having supported with such devotion the other option, must now find the strength to yield to the will of the majority. This referendum has compelled us to state where we stand but it must not divide us. I would like to remind both winners and losers that democratic life does not proceed only from the opinion of the majority but also from the expression and inclusion of the opinions of minorities. That is why changes and progress in societies that claim to be democracies are achieved through compromise rather than coercion. The fact that we have lived 113 years in a democratic system in Canada allows me to assure the supporters of the other option that their deep aspirations will be met by political changes, different, of course, from those they contemplated, and that they will

continue to stamp the evolution of our society and to stress what makes its originality.

I would like to express the deep gratitude of the House and of all Canadians to the leader of the No camp, Mr. Claude Ryan. As the leader of the Quebec Liberal party and thus as the leader of the official opposition in the National Assembly, he has become the one who rallied all Quebeckers who refused to give up their national heritage, the land of our ancestors. A tireless Claude Ryan travelled for months to every corner of the province to expound to his fellow citizens the exalting option he had proposed to them as early as February, 1979—choosing both Quebec and Canada. All along the referendum campaign, with a great sense of understanding and despite many conflicting points of view, he was able to mobilize men and women from all walks of life and of every political persuasion who wanted to stand behind Canada's banner. And I emphasize that beside him were constantly standing two former premiers of Quebec, Mr. Jean Lesage and Mr. Robert Bourassa. Their presence was the symbol of a continuity which, from Lafontaine to Cartier, from Mercier to Laurier, from Taschereau to Lapointe and, later, from St. Laurent to Lesage, has always mirrored that of a majority of Quebeckers. Claude Ryan follows in their illustrious steps and his contribution to a renewed Canadian federation will no doubt be irreplaceable provided Quebeckers give him the opportunity and the means.

You are not without knowing, Madam Speaker, for the very reason that you are one of them, that all Quebeckers sitting in this House actively participated in the referendum campaign. You are aware as well that all members from all parties and regions of Canada made things easier for us, either by relieving us of some of our duties or by gracefully agreeing to changes in the conventions which regulate relations between our political formations. To all of them I, therefore, extend my congratulations and the appreciation of a grateful Canadian people.

Madam Speaker, I want to stress at this point the essential part played during the referendum campaign by my old friend and colleague, the Minister of Justice and Attorney General of Canada and Minister of State for Social Development (Mr. Chrétien). I need not insist on the generosity, perception and political talents of the hon. member for Saint-Maurice, whose outstanding qualities have been at work daily in this House for nearly 17 years. By its very nature the referendum gave us the obligation, as members from Quebec, to take part in the campaign, as we were invited to by Mr. Ryan, but our participation had to be consistent and efficient. The hon. member for Saint-Maurice was in control over that and dicharged his reponsibility with exceptional aggressiveness. He could mobilize and stimulate us when we were in danger of getting either discouraged or overly confident. With the same energy and love of country he will succeed in animating over the coming months the renewal of our Canadian federation.

• (1510)

[*English*]

On behalf of all Canadians I would like to thank also the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent) for supporting the position it was incumbent upon me to take on behalf of the Government of Canada on the fundamental issues raised by the Quebec referendum.

Some hon. Members: Hear, hear!

Mr. Trudeau: The presence of the Leader of the Opposition beside Mr. Ryan and leaders of other federalist parties on the hustings of Rimouski and Shawinigan during the referendum campaign was the living symbol of the unity and solidarity which bind all Canadians. With all his eloquence, the right hon. member for Yellowhead reminded the people of Quebec in their own language that the Canada which our opponents were attacking had ceased to exist, that the so-called status quo was a figment of the separatists' imagination, and that all Canadians from all parts of Canada were pressing for change.

Some hon. Members: Hear, hear!

Mr. Trudeau: The premiers of other provinces also played an important role in the referendum campaign. On behalf of their constituents they too assured Quebeckers that they were not only open to change but also impatient to renew the Constitution of Canada. With remarkable restraint at the meeting of Atlantic premiers in Halifax and at the meeting of western premiers in Lethbridge, and in individual speeches made by Premiers Davis, Blakeney and Bennett, all provincial leaders explained why a vote for sovereignty-association would lead to deadlock, why an economic association not founded on political unity could not be negotiated, and why the government of Quebec, no matter what the result of the referendum might have been, could not possibly have forced them to negotiate on that basis. In so doing the provincial premiers have done a signal service to the cause of Canadian unity.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: I would also like to pay tribute to the brotherly understanding and sympathy extended by Canadians in other provinces to their fellow countrymen in Quebec throughout the debate that led to yesterday's referendum. Starting from the early 1960s, faced with the turmoil of ideas, contestation and social changes that excited Quebeckers, English-speaking Canadians across the land did not remain indifferent. They came up with a question rather than a refusal: What does Quebec want? That now famous question, of course, reflected a somewhat disquieted incomprehension of the social currents at work in Quebec, but for the main part it spoke for the open-mindedness and understanding of our English-speaking fellow Canadians.

[*English*]

The past few years have indeed been trying times for the people of all parts of Canada. The issues raised by Quebec separatists were of critical importance to people in other provinces, since the very existence of our country was at stake; yet the nature of the referendum process launched by the Parti Québécois tended to exclude them from the agonizing debate and to inhibit their participation in the campaign. There were times when many of them may have felt that Quebec had become a national obsession, to the detriment of their own needs and aspirations. There were times when the frustration and sense of helplessness of many may have become almost unbearable, but throughout this period of crisis people in other provinces followed the critical struggle in Quebec with forbearance, tolerance, patience and hope.

Ironically, one of the greatest tributes to the political maturity and democratic spirit of Canadians may have come from one of the leaders of the Parti Québécois, the chief architect of the strategy of *étatisme,* Monsieur Claude Morin. "In virtually all other countries of the world", Monsieur Morin said recently, "what we of the Parti Québécois have been able to do would have been illegal".

Indeed, where else in the world could a political party have openly advocated the break-up of a country? Where else could a separatist movement have had free access to the media, complete freedom to run candidates in any election, the right to form a government of a province, and the prerogative to use all the resources which our constitution makes available to a provincial administration to advance its cause?

Thus, Madam Speaker, all Canadians can take pride in yesterday's victory. It is not only the victory of Claude Ryan and of Quebec federalists; it is a triumph for Canadian democracy.

Some hon. Members: Hear, hear!

Mr. Trudeau: We strongly hope and believe it signals the end of a long period of uncertainty, of doubt and strained relations between Quebec and the other provinces of Canada and between French and English-speaking Canadians. It marks a new beginning. It heralds a period of healing and rebuilding. By voting for Canada the people of Quebec have recognized that their fellow Canadians are prepared to listen to them, to understand them, and to meet their legitimate aspirations.

But Quebeckers have also shown that they themselves are prepared to hear what other Canadians have to say, to find out what their aspirations are and to help them to realize their dreams. We Canadians are now agreed on a common destination, and that was the fundamental issue. What we must now do is chart a new course and agree on a common itinerary toward that common destination.

[*Translation*]

Such is the profound meaning, the only possible interpretation of yesterday's referendum. The majority of Quebec voters have refused to give their provincial government the mandate to negotiate the withdrawal of Quebec from the Canadian federation even though they had been assured over and over again that that could be done while maintaining some form of economic association with the rest of the country. Those voters said no because they put their confidence in Canada. They said no because they accepted the assurances from Mr. Ryan of the Liberal party of Quebec, and from the other federalist groups in that province. They accepted the assurances from the premiers of the other regions of the country, from the Leader of the Official Opposition, from the Leader of the New Democratic Party, from all my colleagues in the Liberal Party of Canada and from myself that changes were not only possible within confederation but that the rejection of the option advocated by the Parti Québécois would take us out of the dead end and allow us at last to renew our political system.

On the other hand, we know that a large proportion of those who voted yes did so not because they were in favour of independence for Quebec but because they had doubts about our assurances and felt that they would better promote changes by giving tactical support to the Parti Québécois.

● (1520)

I base this interpretation not only on the polls taken before the referendum, but also on the many statements reported in the press these last few months and on the referendum rhetoric of the Parti Québécois. Altogether, what Quebeckers expressed yesterday was a massive support for change within the federal framework. We cannot venture to ignore this will to change which reflects that of all other areas in the country and to fall short of the expectations of Canadians. This is why, on May 14, I solemnly undertook to launch the constitutional renewal and never stop working at it until Canada finally has a new constitution.

However, we would be deceiving ourselves if we were to believe that it will be easy to keep this commitment. We shall need the constant support of the Canadian people and their representatives within this Parliament. We are also counting on the support of all provincial governments, including that of Quebec. We shall all have to agree on the basic principles underlying our efforts. We have to be receptive to the needs and aspirations of all Canadians, to seek together for methods and mechanisms more effective than those used until now and to be willing to make every effort required to achieve success. For that purpose, I have asked the Minister of Justice to begin immediately a tour of the provincial capitals in order to obtain the views of the premiers on the best way to follow up on their will to change. As for us, our only prerequisites for change are the two which I outlined in Quebec as early as January, 1977.

First, that Canada continue to be a real federation, a state whose constitution establishes a federal Parliament with real powers applying to the country as a whole and provincial legislatures with powers just as real applying to the territory of each province. Second, that a charter of fundamental rights

and freedoms be entrenched in the new constitution and that it extend to the collective aspect of these rights, such as language rights.

I had said at the time and I say again today that we consider everything else to be negotiable. What we want is to give Canada a new, modern and functional federal constitution which will enable our governments to better meet the needs and aspirations of all Canadians. This new constitution could include, if the people so wish, several provisions in our present organic laws, but, it will also have to contain new elements reflecting the most innovative proposals emerging from our consultations or from the numerous analyses and considered opinions that have flowed in the last few years from the will to change of Canadians. I am referring, of course, to the many proposals made by the Canadian government since 1968, but also to the Pepin-Robarts report, to the policy papers issued by the governments of British Columbia, Ontario, Alberta and by almost every province but Quebec, to the constitutional proposals of the Liberal party of Quebec, many elements of which could orient the renewal of our constitution if they were ever put forward by the political authorities of that province.

Having said that, we must look into the possibility of making progress in this direction without the co-operation of the Quebec government. This is why I asked Premier Lévesque during the referendum campaign what he would do if the No should win and until now his response has been that he would accept crumbs of autonomy but with some grumbling. But Quebeckers do not want crumbs of autonomy or anything else. They have rejected independence, rejected sovereignty-association while massively calling for changes in Canadian federalism. In other words, Quebeckers will not be satisfied with crumbs because they want a brand new constitution and all other Canadians, through their political leaders, federal as well as provincial, have indicated that they also want a new constitution.

Is Mr. Lévesque ready to accept this will to change? Are his party and government ready to put independence or sovereignty-association aside? Is he and are his ministers willing to participate sincerely, loyally, actively in the renewal of Canadian federalism or will they try to maintain the status quo in Canada in an effort to exploit the feeling of frustration which would be the upshot? Madam Speaker, only time will tell.

But that is the general context in which Mr. Chrétien is undertaking as early as tonight a tour of the provinces. Once he has reported to me, I will be able to consult with the leaders of other parties in Parliament, to communicate with all premiers and advise as to the best means of achieving the renewal of the constitution. As for now, all I can say with certainty is that my government is deeply convinced that the constitutional renewal process must be undertaken promptly. As for us, we are committing ourselves to see that everything will be in progress before the summer recess.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wish to begin my remarks in the House today by congratulating Mr. Claude Ryan and all the members of his team who won yesterday an important victory for Canada after an honest and strong campaign which showed a deep faith in Canada's future. I also want to commend the role played by my friend, the Minister of Justice (Mr. Chrétien), by the right hon. Prime Minister (Mr. Trudeau) and by all other members who were directly involved in Quebec by their actions or by their remarks in this House during the referendum period.

[*English*]

I think that it would be well too to underline that many of the Quebeckers, many of the 40 per cent who voted for the "Oui" yesterday in the referendum, were people who were not at all lost to the federalist cause. Many of those who allied themselves proudly and enthusiastically with the "Oui" option did so because, for one reason or another, they had come to lose faith in the force of federalism. I believe we can prove that that faith should not be abandoned among those Quebeckers and among others. I believe it is important for Canadians across the country to know that a large number of the 40 per cent who voted for the "Oui" option yesterday are people who can be won back to federalism.

● (1530)

I think that we, particularly in this House, and those who serve in governments across the country, should recognize that the obligation is very heavy upon all of us to take a role of leadership in reaching out to those who, for a moment, lost faith in the viability of the federal system and to prove to them by our actions that there is a great deal of room for growth, a great deal of room for their aspirations as Quebeckers and as Canadians, to be realized within the context of a broad, large land.

Some hon. Members: Hear, hear!

Mr. Clark: Also if I may, I want to commend the Prime Minister for acting so quickly after the referendum to set in train activities which will move us quickly toward real progress on the development of a new constitution for the country. I am pleased that the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) will be visiting provincial governments. I would hope that he will not forget to visit the governments of the territories.

Mr. Nielsen: Right on.

Some hon. Members: Hear, hear!

Mr. Clark: In any consultations that carry forward, and in any machinery that is established, I hope there will be an opportunity for the elected members of the Yukon and Northwest Territories Council to play a full and an active role in those discussions.

We are dealing with circumstances now which have never before existed in Canada.

[*Translation*]

First of all, as the right hon. Prime Minister said during the referendum campaign, the main federal political parties, my party, the Progressive Conservative Party of Canada, as well as the Liberal Party of Canada, have both solemnly committed themselves to a renewed Canadian federalism. The same commitment was made by the provincial premiers who were unanimous in denouncing the status quo. We were sincere in making that commitment and I am confident that the Prime Minister and his provincial colleagues were every bit as sincere as I was when they called for a renewal of the Canadian federation. Madam Speaker, we must make the best possible use of the climate of sincerity and good will that now exists throughout Canada, and see to it that our common objective, a renewed Canadian federalism, is achieved.

[*English*]

The second circumstance that is new is that, for the first time in a long time, it is my view the public of Canada are now interested in constitutional reform. There is a genuine feeling on the part of Canadians, in whatever province, territory or region of this country, that it is time to bring our constitution up to date with the realities of a modern country. That is true and that is important.

Some hon. Members: Hear, hear!

Mr. Clark: Finally, a third circumstance that has changed and is significant is that this country, Canada, has changed in the last 20 years. It has changed dramatically. It has changed to the point where old constitutional arrangements no longer fit. In my view it is this last point which perhaps is most important—the old constitution no longer fits the modern country. That is true not just in Quebec but in other parts of Canada where real and profound changes have occurred in the last 20 years. We are not dealing now with an academic matter or a question of interest only to governments. We must bring our way of governing Canada into line with the modern realities of the country.

Constitutional forms are an important part of that process. We need a new constitution. I welcome the commitment made by the Prime Minister and the Minister of Justice which was reaffirmed here today. It is a commitment, which I share, to a new constitution for Canada. We need a constitution that is located here in our country, a constitution that can be amended here in our country, a constitution that guarantees certain fundamental rights, and a constitution that articulates a sharing of powers that is appropriate to a diverse federal country. We now have a climate where that can be achieved.

Some hon. Members: Hear, hear!

Mr. Clark: But I make the point that more than the law and more than the constitution is at issue here. There must also be a positive attitude among citizens and among governments, an attitude which is consistent with the changes in law and the changes in form. Among the citizens of Canada there is developing an attitude of respect for fellow Canadians of different backgrounds and a growing pride in the diversity and in the strength of the Canadian family.

[*Translation*]

Perhaps I can speak more specifically of the changes that now exist in Quebec, that exist in the so-called Anglophone community in the rest of Canada, because I am very much impressed by the deep changes achieved outside Quebec especially with regard to the aspirations of the Quebec people and the respect for the French language throughout Canada. There has been a change, a new respect upon which we can build a great country in the future.

[*English*]

I must say, however, that while those attitudes have changed among the citizens of the country, it is not so clear that attitudes among governments have changed. I think it is important that we address that question frankly here today.

I want to take the opportunity, in the climate of good will and of near celebration that exists in this House today after the referendum results, to point out to the Prime Minister that it would be futile for the Government of Canada to be seeking to draw provinces together to discuss constitutional change if, at the same time, the actions of Ottawa on other fronts were driving provinces and people apart.

Some hon. Members: Hear, hear!

Mr. Clark: I think we all know that the sense of being a nation is influenced as much by conduct as it is by constitutions. The success of renewal will be based upon genuine respect for the other partners in confederation. It would be both unwise and irresponsible for the Government of Canada, or for the governments of the provinces, to perpetuate an attitude of confrontation, or to seek to resolve legitimate differences by methods which erode trust or make co-operation impossible.

Hopefully yesterday's referendum in Quebec will provide very real impetus to the process of change and renewal. But the desire—indeed it is more than a desire—the demand for change is not simply a matter of that referendum and indeed not simply a matter of that province. It is a desire shared by all of the provinces and virtually all of the people of Canada. That fact must be reflected in the agenda for change which this government now has a responsibility to place before the country. It must be truly a Canadian agenda not simply an Ottawa agenda, a Quebec agenda, an Alberta agenda or a Newfoundland agenda. Other provinces and other regions have specific proposals for change to which they are equally committed as Quebeckers are, and which they have a right to expect will be debated openly and honestly by all involved in the process.

Certainly patriation, an amending formula, and entrenchment of rights are legitimate subjects for our Canadian agenda, but so is resource jurisdiction, including offshore resources, so is communications policy, and so are proposals to make some national institutions more effective and more representative of regional realities and regional needs. It is not simply that we now have before us a rare opportunity, a rare

atmosphere of openness and good will, within which to address the whole Canadian agenda. It is equally that we simply will not achieve a genuine or lasting consensus if some parts of this country or some regions of Canada feel their needs are excluded from the Canadian agenda or are given secondary status in national debate and negotiation.

[*Translation*]

I was encouraged by the remarks of the right hon. Prime Minister when he said earlier today that except for the basic principles he mentioned, all the other matters are negotiable because, to my mind, that commitment is essential to the future of the constitutional renewal process, since hon. members of the House of Commons and the Canadian people throughout the land view differently some of the constitutional proposals.

[*English*]

For example, I believe the Prime Minister and I have different views about the contribution to Canadian unity of the consciousness of being a people like the Quebeckers, or of being a region like the west, or of being a province. I have a sense that he is concerned that these more local loyalties will drain strength from the larger community. I believe they are a source of strength. Some members of his party agree with me; probably some members of mine agree with him. But, that question must be addressed openly by all sides. We cannot let our work be limited by the prejudices of a Prime Minister or a Leader of the Opposition, or anyone else. We are agreed on the framework of the federal system. The people of Quebec yesterday in a massive and dramatic way indicated their agreement with a federal framework, and now we must build and go where the facts of modern Canada lead us in giving flesh and form to that federal system.

● (1540)

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister has indicated his intention to consult leaders of other parties here, and I welcome that. I want to anticipate that consultation and make publicly one suggestion that I think should be very much on the agenda of change.

As the Prime Minister and as the House know, one of our weaknesses as a country so far has been our failure, at least to this date, to develop national institutions which genuinely command the respect of the whole country. Some progress has been made. I believe progress was made by the late Right Hon. Lester Pearson and his government with the introduction of the Canadian flag.

Some hon. Members: Hear, hear!

Mr. Clark: I am delighted to learn that today a Standing Order 43 motion moved by my colleague, the hon. member for Joliette (Mr. La Salle), regarding a national anthem for this country, was accepted.

But, Madam Speaker, we sit here today in one Canadian institution, the only one that has live and genuine roots in every corner of this land. Parliament itself can become the strongest genuine national institution, but it will not have strength until it has real power, and the tendency of the last several years has been to take power from Parliament and to concentrate it in parties, or concentrate it in government.

When we were the government, as the House knows, we introduced proposals for parliamentary reform which were designed specifically to increase the influence of individual members of Parliament, and consequently to expand both the range of advice available to government, and the respect available to this institution. I would hope that the Prime Minister will recognize that one of the ways to connect the parts of this country to the whole of this country—one of the ways to ensure a genuine sense of the Canadian nation—will be to strengthen the most representative and national of our institutions, the House of Commons itself.

Some hon. Members: Hear, hear!

Mr. Clark: I said frequently during the referendum campaign that the referendum itself was a question for Quebeckers to decide, but that the work of constitutional renewal was the work of all Canadians. Yesterday's vote in Quebec ended the referendum campaign, but it did not end the demand in Quebec for change; in fact, it reinforced it vividly and reinforced it dramatically. That referendum cannot and should not be used to silence the aspirations of Quebeckers, for in fact it was an expression of faith and an expression of those aspirations.

For the rest of Canada the vote yesterday was an expression of pride and belief in this country in which we can all joyfully share. It represents a demand for change in which Canadians have every reason to join and, indeed, which other Canadians have articulated in other ways for reasons of their own, or reasons relating to their own situations. That result in Quebec should be used, if I might employ that term, not to frighten or divide Canadians, and I am happy that there is no hint of that today, but to unite Canadians in a common determination to build a renewed federation which can make this a stronger country, a richer country, and a better country in years ahead.

That common determination, Madam Speaker, exists among Canadians; of that I am totally confident. Indeed, as is so often the case, in a very real sense constitutional renewal is catching up to the attitude of Canadians. Canada already has changed and the people of Canada know it. It has changed for the better in our new strengths and our new maturity. What is demanded now; what is fairly and justly demanded of all of us, particularly in this House, is a political system, a federal system, that recognizes the change that is about us, and shapes that change to the betterment of all of Canada.

[*Translation*]

The vote which took place yesterday, May 20, was but a date in a continuing process. It was by no means an end but a beginning, and now it is up to us in this Parliament and in the

Parliaments of the territories and the provinces of Canada to implement the changes which are being sought by Canadians all across this country.

[*English*]

Mr. Edward Broadbent (Oshawa): Madam Speaker, the Prime Minister (Mr. Trudeau), as leader of the Liberal party, and myself, as Leader of the New Democratic Party, have frequently differed in the past, sometimes over frivolous matters, sometimes over very serious matters, but I want to begin my comments today by complimenting the Prime Minister on the very fine statement he made in the House this afternoon and, in particular, for his magnanimous address to the people of the province of Quebec and to every Canadian last night on television.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: Madam Speaker, the historical debate that took place in Quebec proves that we have already reached a level of political maturity of which all civilized nations of the world are envious. In spite of some deep divisions within the Quebec society and also elsewhere in Canada, we managed to express our differences democratically. I can tell you without exaggerating that last night we showed that we can get along together despite deep differences. The Quebec people deserve our admiration and respect. Personally, Madam Speaker, I would like to say to those who voted yes in the referendum that their message was understood. Quebec society must come out and do so by setting its own priorities, and that can and must be done within our federation.

Madam Speaker, I am, of course, very pleased with the result of the referendum. The Quebec people indicated clearly yesterday that they want to remain within the Canadian federation. But, as I said earlier, we must recognize, however, that this is not a vote for the status quo. Our federal system of course is not without fault. During that debate, all parties recognized that there was an urgent need for constitutional changes. All party leaders in the House pointed that out this afternoon. The polls indicated, as I have noticed myself during my visits in Quebec during the campaign, that the great majority of Quebeckers want changes to take place as early as possible. Canadians in other provinces must take up the challenge. All Canadians, wherever they are, must respond positively to that major historical event and the federal government must act and be perceived, not only by the Quebec people, but also by all the other Canadians, as a government out to promote the fulfilment of the people in all areas of Canada.

● (1550)

[*English*]

While it would be a mistake of considerable proportion to suggest that the grievances felt elsewhere in Canada, such as in the Atlantic provinces and in the west, are of the same magnitude as those in Quebec, it is nonetheless a reality that must also be addressed at this time of constitutional change. In approaching this constitutional change, the spirit must be one of reconciliation and imagination. A reconciling of the frequently conflicting regional and national claims with imagination could make that possible.

The goal must be to make whatever constitutional changes are relevant as a means of having Canadians, wherever they may be, feel more at home in their own land so that one can be, as the Prime Minister said last night, "at the same time a Québécois and a Canadian".

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: Fishermen in Newfoundland, farmers in Saskatchewan, miners in Sept-Îles and people in every region of Canada must see the federal government as an ally, as their government. This is our objective.

[*English*]

It should go without saying that on this day, while it is appropriate to stress the relevance of constitutional change, to achieve this goal it is also important to note that policies, programs and attitudes are of comparable importance both in the short run and the long run. It is not simply the case that the need for constitutional change is now urgent. I would also like to stress that the means are at hand for achieving this change soon.

Members of Parliament and other Canadians have before them the report of the joint committee of the House of Commons and the Senate of just a few years ago, the considerations offered by the present government when it was a government just a few years ago, and the counterproposals made by the official opposition and ourselves at that time. There is also the Pepin-Robarts report, and the results of the first ministers' meeting in early 1979 which reached substantial agreement on many matters. Then there is the beige paper prepared by the Liberal party of the province of Quebec. It would be a mistake or simply naive to suggest that all of these reports reach the same conclusions. Of course they do not. In fact they conflict on many important matters.

However, it is important to stress at this time that these reports do provide us with just about all the information we need and an analysis of the implications of different choices which might be reached, depending on the decisions we make in opting for one suggestion as opposed to another. Furthermore, there are areas in which agreement between the federal government and the provinces has been virtually reached or, at least, on which differences are not great. These areas include family law, communications and cultural policy, language rights, and changes in the Supreme Court. These areas, I repeat, are among those on which there has already been achieved substantial agreement. Therefore, they are among those areas with which we could proceed in the immediate future.

During the referendum debate, as the Prime Minister and the Leader of the Opposition have already indicated, virtually every one of the provincial premiers indicated that they favour early constitutional change. Therefore early action is not only required and desired, but it is also possible at this time. Matters on which agreement can be quickly reached should therefore be quickly settled. Once they are settled we can proceed to more difficult areas, resolve them as best we can in the national interest and regional interests, and give Canada, at long last, a constitution that is located in our own land.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, our approach and attitude toward constitutional change will be of very great importance in and of themselves if we are to get the kind of changes that we think are desirable. Now is the time, above all, to rise above partisan considerations.

Over 100 years ago the various elements which were not yet Canada were in a state of crisis in this part of North America. Leaders at that time responded appropriately. The arch political enemies, George Brown and Sir John A. Macdonald, came together in an act of great historical reconciliation. Speaking in the legislature in June, 1864, George Brown explained—and it was difficult for him to do so—the reconciliation with a point which is so relevant to us in Canada today. He said that only the most extreme circumstances could justify reconciliation between himself and his old opponent and that the circumstances which required that were the crises that existed in many parts of the land.

The result of that reconciliation was the birth of a non-partisan approach to nation building. The nation which emerged, of course, was Canada. I would like to suggest that today we are facing similar circumstances and that these circumstances require the same generosity of mind and openness of spirit from members of all parties in the House of Commons.

There are significant matters which divide Liberals, Conservatives, and New Democrats. They will continue to divide us in the future. However, many of the basic constitutional questions—indeed, probably most of them—have absolutely nothing to do with party differences. If we do not recognize this fact now, we will fail both the best traditions of our respective parties and, more important, we will fail the nation. I suggest that we learn from the attitudes of Macdonald and Brown and make a most serious attempt to achieve constitutional reform and consensus as much as possible on a non-partisan basis.

Specifically, I would urge the Prime Minister heading a federal delegation, at the first ministers' meeting or when the time comes, to head a delegation which represents, not only the government party, but Parliament, while maintaining a majority of government members. I would urge, in the spirit of Macdonald and Brown, that the Prime Minister give very serious consideration to the inclusion of the leaders and perhaps other members of the opposition parties.

In this context I would point out that the other parties in the House of Commons have representation from parts of Canada which are not represented in the government party at this time. Also, in this spirit, I urge the Prime Minister to make the same suggestions to the provincial premiers. I have raised this very matter with Premier Blakeney of Saskatchewan. He has agreed to take such an open approach with his delegation to any future first ministers' conferences.

Some hon. Members: Hear, hear!

Mr. Broadbent: I hope that a constitutional conference will take place this summer and that, when the Minister of Justice (Mr. Chrétien) travels around this country—and I appreciate the urgency with which he is now approaching that task—he will discover in the offices of the premiers a willingness to meet this summer to get this needed constitutional change under way. Of course, it is early to predict precisely what should be done at that meeting, but it is unlikely that an agreement on a wide range of difficult matters could be achieved. At least if the meeting could take place early in the summer, say in July, a very specific timetable could be established and it could be expected that two or three months ahead and periodically for the next 12 months or, at most, two years, final and definitive decisions could be reached on the constitution.

• (1600)

I put forward as a suggestion that at least for the discussion of such an agenda, for agreement on such an agenda, a first ministers' meeting be called this summer.

In conclusion, Madam Speaker, I want to emphasize the spirit of the determination and co-operation that is now needed in our land, and co-operation is the essence. The road ahead will not be easy—we are all aware of that—but I am more confident than ever before that Canada will not only prevail but will survive.

[*Translation*]

Canada and Quebec will continue together on a common course toward a just and exciting future.

[*English*]

Madam Speaker: The hon. member for Rosedale (Mr. Crombie) on a question of privilege.

Mr. Crombie: Thank you very much Madam Speaker—

Madam Speaker: I am sorry, I did not know that the hon. member wanted to ask a question. I suppose that is why the hon. member for Oshawa (Mr. Broadbent) is rising. I shall recognize the hon. member for Oshawa.

Mr. Broadbent: Thank you, Madam Speaker. It was my understanding of the House agreement that, following the opening statement by the Prime Minister, the Leader of the Opposition and myself, the Leader of the Opposition and I would be allowed to raise questions.

Madam Speaker: Yes, that is quite in order, but the Leader of the Opposition did not rise. I waited for a while and the hon. member for Oshawa did not rise either. I therefore recognized

the hon. member for Rosedale (Mr. Crombie), but I am delighted to recognize the hon. member for Oshawa.

Mr. Broadbent: Madam Speaker, I should like to ask the Prime Minister, notwithstanding what he said about the intention of the Minister of Justice to travel throughout Canada to obtain suggestions from provincial premiers about the best method of proceeding with constitutional reform, what his own attitude is in response to the suggestion I made in my speech about having an early conference in the middle of summer involving the first ministers with all-party delegations, at least to set out an agenda and fix a timetable. I suggested a two-year time limit so that Canadians, Quebeckers, and people in other parts of our land would know that the process is going to get under way, and soon.

Mr. Trudeau: Madam Speaker, I heard the suggestion made by the hon. Leader of the New Democratic Party. It is a suggestion which I believe had been made by a few of the premiers also, to hold a conference in July. I could not, nor would I want to, announce the holding of such a conference now until I have heard from the Minister of Justice. It is possible that other premiers who have not spoken will hold other views. I would undertake in answer to a question in the House, or possibly by a short statement, to express the view of the government on this after I have heard from the Minister of Justice when he returns. Presumably he will return within the next three or four days from his visits to the provincial capitals.

In so far as the other part of the question is concerned, I think it is a good idea to have an agenda and timetable. Personally, and on behalf of the government, I would tend to be a bit more ambitious than that. I would hope that we would do more, if we have such a meeting, than establish an agenda and timetable. That would seem to be the disposition of all parties in this House, to move on an agenda rather than just establish it.

Concerning delegations which the hon. member also inquired about, it is obvious that at any federal-provincial conference there would be attendance by members of the House and other parties. Whether they could be part of a delegation at a hypothetical conference or not I suppose would depend on the hypothetical question of whether or not we could come together on a common program for action. I would hope that to be the case.

Listening to the Leader of the Opposition and the Leader of the New Democratic Party, it does seem that perhaps there is a common basis for action on several fronts, in which case I think it would strenghten the position of Parliament if indeed a delegation were composed of the leaders of all parties in this chamber. I would seek to establish this, hopefully successfully, in the course of the next week, after I have had a report from the Minister of Justice and have had occasion to discuss with both hon. leaders opposite.

Some hon. Members: Hear, hear!

PRIVILEGE

MR. CROMBIE—STATEMENTS MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. David Crombie (Rosedale): Madam Speaker, I rise on a question of privilege in relation to statements made by the Minister of National Health and Welfare (Miss Bégin), last Wednesday, May 14. I might add at the outset that there were some who felt that my question of privilege related to a comment she made earlier in her statement, in relation to her use of French and my use of English and the hearing aid that I was using in that regard. I want to indicate at the outset that that was not my concern. I wear the hearing aid, of course, so that I can bring more comprehension to the remarks made by the Minister of Agriculture (Mr. Whelan).

Mr. Whelan: That is not a point of privilege.

Mr. Crombie: I just wanted to get his attention.

Mr. Whelan: I am listening.

Mr. Crombie: I should like to take a brief moment, since this is the first opportunity I have had publicly to congratulate the minister on her return to office. Since I held that office for a brief period I know the kind of staff that she has available to her and that they have a reputation for good effort and dedication. It is in that spirit that I raise the following question of privilege.

This is a serious matter, because the remarks made by the Minister of National Health and Welfare on May 14 in response to questions relate to the integrity of one of the most significant, if not the most significant, social programs in this country, that is, the maintenance and delivery of our system of medicare. I feel there is a consensus in this House, and indeed in the country, that all problems related to medicare must be dealt with openly, directly, and honestly. The previous government's solution in this regard was to proceed with an independent review. We chose Chief Justice Emmett Hall to undertake that review in order that the solutions undertaken by this House would be reached only following extensive representations and consultation, not only with provincial governments but by all interested and all concerned parties.

As a consequence of the remarks made by the hon. minister, my question of privilege falls into three areas: first, misrepresentation by the minister of the facts surrounding the appointment of Justice Hall and the condition and resources within which he was and is conducting his review; second, the misrepresentation by the minister last week in the House on May 14, and indeed in the last Parliament generally, of her authority with regard to the Established Program Financing Arrangement of 1977, the legislation which governs medicare financing; and third, the statements by the minister on the same day in response to the same questions which seriously call into question the credibility of Justice Hall's review and her government's intentions with regard to its impending recommendations. Those are the three areas of privilege, Madam Speaker.

Let me deal with the first, the appointment of Mr. Justice Hall. In answering a question in the House on the Hall review, a question posed by the hon. member for Oshawa (Mr. Broadbent), the minister pleaded ignorance of the details of the Hall review until her party took office again in the spring. That is the beginning of the questions reported at page 1061 of *Hansard*. Madam Speaker, the Hall review was not announced, appointed or undertaken in any shroud of secrecy. The terms of reference for the review were tabled at a federal-provincial conference of health ministers on September 17, and that was a public meeting. They were tabled publicly. Indeed, those terms of reference were later published in a number of both daily and weekly publications, not the least of which was the November 20 edition of the *Medical Post* which carried the terms of reference verbatim. I am sure it did not miss the minister's attention because it has a very attractive picture of herself and a fairly attractive picture of myself. It talks about the terms of reference in detail, verbatim. They were produced November 20. We were not in power a very long time, but if my memory serves me right we were still in power November 20.

● (1610)

Further on the terms of reference, the hon. member said, and I quote from page 1061 of *Hansard:*

—we asked many questions of the government to know what was really the mandate of the commission. We finally found out that the terms of reference were ten pages long, which does not mean anything, and covered everything under the sun.

It is not easy to discern exactly what the minister means, but I will repeat it because I think there is only one meaning you can finally take from it.

—we asked many questions of the government to know what was really the mandate of the commission. We finally found out that the terms of reference were ten pages long, which does not mean anything, and covered everything under the sun.

Allow me to be charitable and say that the minister has confused the terms of reference, which are two pages long and are very exact and very precise, with a ten-page communique which carried my remarks about the two pages of the terms of reference. The terms of reference, those two precise pages, were subsequently circulated to the provincial ministers for their comments. Following that process, those terms were finalized to everyone's satisfaction, including Mr. Justice Hall.

The terms of reference were two pages long, a very specific review. The most central, and that is why I have cause for concern, of those terms of reference which the minister claims not to have had knowledge of until she took office was a set of guidelines, requesting consideration of a set of guidelines for the principles of medicare—portability, accessibility, universal coverage, comprehensive coverage, public administration, reasonable compensation, and uniform terms and conditions. Those were the principles for the requested guidelines.

I might say that toward the end of November a letter was sent to all ministers of provincial governments, with a letter attached by me which again was made public. It indicated to those ministers that we were going to proceed with the terms of reference which I attached to them. I will not read the whole letter. I indicated:

—I have made some alterations in style, without substantive changes. I have asked Mr. Justice Hall to proceed with the attached revised version—

Also contained in the minister's answer on May 14 in which I suggest she again misled the House, she said:

When we were in opposition, the party in power did not send us a telegram with the information pertaining to the commission, how much money it had, what its mandate was, and so on . . . Nobody knew the amount of money made available; nobody knew the status of Mr. Justice Hall or the tools at his disposal to conduct a proper inquiry.

That is simply not true. On December 4 in this House the hon. member as she then was, the minister as she is now, asked me a question on the matter. She asked me if I would outline both budget and staff components. I have the quote in *Hansard* if she wants it.

Mr. McGrath: Give her the page number.

Mr. Crombie: It is suggested I give her the page number. The minister will find it at page 1987 of *Hansard*. I did not answer that day. I indicated in the House an undertaking to the hon. member, as she then was, that I would provide her with the information that I had already provided previously to the ministers in the provinces and indeed that we had tabled in a public meeting. I sent that letter, and that letter contained the information which she requested with respect to the staffing and the funds available. I know she received that letter.

Therefore, Madam Speaker, I would like to conclude that the record shows that, on the first question of privilege, the hon. member did know the mandate of the Hall review prior to her resumption of office, and that the financial and human resources available to it were also known to her prior to her resumption of responsibilities as Minister of National Health and Welfare.

The second part of my question of privilege relates to the question of the minister's authority. Here I will try to confine my remarks the best I can to the statements made by the minister on the fourteenth. I am also sure that the record will concur that the hon. member recorded again what she said when she was in opposition when she demanded that the government of the day stop cash payments to the provinces in order to force the provinces to stop what she called the diversion of federal health funds to other areas.

The point of all that, and it is one we discussed in the Standing Committee on Health, Welfare and Social Affairs, is that according to the established programs financing legislation of 1977—the agreement was negotiated and agreed to by the hon. member for Outremont (Mr. Lalonde) and the right hon. Prime Minister of the day—it was not within and is not within the minister's power to stop or diminish the cash portion of federal assistance without the consent of the provinces. That is as clear as a bell.

It is wrong of the hon. member for Oshawa to ask a question implying that the minister has that power and for the minister to continue the charade that she does, because it is of no help to anyone. According to section 28, subsections (1), (2) and

(3) of the legislation that took away the power from the federal government, it is not within the authority of the Minister of National Health and Welfare to alter the cash portion until after April 1, 1982, at which point the legislation allows for changes without provincial consent.

That is why the hon. minister could not take the action which she publicly stated in this House that she should because she does not have the power. That is the whole point of appointing the Hall commission, to make sure that power is not there, and it does no good for the House to be misled, even with the best will in the world, that that power does exist on the cash portion.

The third area of the question of privilege relates to what I think to be perhaps the most damaging aspect. I am hoping the minister will correct me because I think we share a community of interest in the final conclusion of the Hall commission report. There seems to have been a continuation of attacking the credibility of the Hall commission. I read the minister's comments on page 1061 where she says:

I must be cautious because we are talking about a royal commission of inquiry—

She concludes by saying that we are not talking about a royal commission of inquiry, and seems to imply because it was not and is not a royal commission of inquiry somehow it is less of an authority and will bear less heavily on the decision-making process of the government and indeed of this House. I simply want to give her an opportunity to correct that impression because, never at any time, was anybody ever suggesting that there ought to be a royal commission, and the record will show that.

● (1620)

The move I took as minister of the day was to appoint an expert to conduct a review of existing medical services legislation, with a view to improving it, clarifying it, and protecting and enhancing the principles of medicare. The minister today has an opportunity to state again her interest in doing these things instead of diminishing the credibility of the whole report even before Mr. Justice Hall has the opportunity to deliver it. Therefore, I would move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of National Health and Welfare acknowledge to this House that she did, indeed, know the information of which she professed no knowledge last week and that in these circumstances she should correct the record of this House.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am somewhat embarrassed to speak before the former Minister of National Health and Welfare about an alleged question of privilege, because I feel it is non-existent. I am embarrassed because he took several minutes to tell us that he cares about medicare, that he made every effort through a review of the system to restore it to its full status, on which I fully agree with him and find it wonderful. On the other hand, I am embarrassed, because the three parts of the so-called question of privilege which he says concerns me seem to be non-existent.

[*English*]

I shall try rapidly to give my predecessor another image of the same situation—I will not go into the past the way he did, and I will not use quotations from speeches and discussions of medicare outside the House. He was rising on a question of privilege related to last week's question period, exactly a week ago. I should like him to understand from an opposition member's viewpoint the image perceived or available to us, which is this one, and which is what I was referring to last week when I answered the Leader of the New Democratic Party (Mr. Broadbent) on medicare and the recent Alberta development, in all good faith, by the way. I said, in response to the third question, because the question led me to say that, from an opposition member's viewpoint and from the viewpoint of the general public, if my colleague, my predecessor remembers well, when, in September, 1979, he had an extremely short federal-provincial meeting of health ministers, he issued the press release or a communique, or whatever the name of it was, of about ten pages long. I do not know the exact name given to it but it was a ten-page document which he just referred to once more—

An hon. Member: A communique.

Miss Bégin: —A communique of September 17 in which he announced extremely briefly—I mean, it is less than a paragraph—a review of health insurance programs in Canada, a review, and only that, and then that the report should be prepared and made public within six months; and the appointment of Mr. Justice Hall. The hon. gentleman will recall that the House was not sitting that month and took some more time to start its work. This meant we were completely disconnected from information, especially since there was a new government and we were learning our roles as opposition members without all the research tools to which we were accustomed.

A review can be many things. I am not a lawyer but I have conducted a royal commission, I was involved in one myself, and as a minister I know very well the different categories into which a review can fall and, depending upon which administrative or legislative tool is used, the work of the so-called commissioner can be very different. The hon. member has himself stated that medicare is of great concern to all of us. I think it is fair to say that I, in my capacity—we had lost a government—and the hon. member in his capacity as a member of the new government, did our best to find a solution to medicare.

The hon. member announced the idea of a review which, by the way, we supported, but which we did not institute and might not have instituted, which is a thing I have often said and explained why. There are avenues to try to find a solution to the medicare erosion. What was the review which the hon. member announced and about which we often asked questions? How much money was at the disposal of Mr. Justice Hall? Were there other members or commissioners? Were

there public hearings? We did not know whether the hon. member had this in mind.

Neither we nor the general public knew for a long time whether there would be public hearings. I remember asking questions at the time. A review could be a royal commission of inquiry with varying powers according to what part of the Inquiries Act it is under—a task force, an order in council, or a simple contract between the minister and the commission or commissioners. Each of these definitions is different in its consequences and different in the status it reflects on the subject matter, etc. That is exactly the meaning of the line of questioning taken not only by myself but by several members of the House when we were in opposition.

I do not know why the hon. gentleman, when he was minister of national health and welfare, chose not to state openly the nature of the review. He may not have realized that he never told us immediately. It took quite some time to understand and I am not even sure, from memory, that it was clearly said somewhere that it was a contract between Mr. Justice Hall and the minister. As to the other questions about the budget given to the commission and the number of staff given to the commission etc., the fact is, as the minister said, that I received a letter from him on December 19, 1979, dated December 14. But didn't the government fall around that time? There is such a sequence of events that I do not quite remember.

● (1630)

Mr. Crombie: I fell myself.

Miss Bégin: Yes, the hon. member fell too, but what I am trying to say now is that I do not think there is any question of privilege and I think my colleague, the hon. member opposite, is reading things which do not exist. If I speak English I will be in trouble again because I will use the wrong word, but he thinks there are suggestions against the Hall commission or against himself as the previous minister of national health and welfare in his actions to "save medicare". He thinks this is being criticized or questioned. This obviously is not the case. I think the hon. member knows very well that we supported officially, and have always supported, both in opposition and now as the Government of Canada, the work of Mr. Justice Hall's so-called review. Past that point I could continue and answer for a long period of time each point made by the hon. member for Rosedale (Mr. Crombie), but I think it is irrelevant.

I think the hon. member should know—and I am reassuring him right now—that once instituted and established, the Hall commission became the official tool to save medicare. Anyone with common sense, it seems to me, had to support the commission, which we did do, and will do. So I hope I am clear. It is all in *Hansard*. The hon. member said that last week I, at one point, said that I would speak French because the question is delicate since it deals with a royal commission and that a few minutes later I said it was not a royal commission. Let us not play with words. It was question period. I had difficulty expressing myself in English because we were discussing matters which could almost be legal. The hon. member was suggesting that there could be a question of privilege, and I did not want to create any suspicion as to the way he handled the erosion of medicare by instituting a royal commission. We differ on ideas about what avenue is best. The hon. member knows that. We have said it often. There is nothing wrong with that. We differ.

We thought the route which could be taken should be different from that of a commission or review of the situation. This being said, I and my colleagues have the greatest respect for an institution once it is created, and the Hall commission is an institution to which added credibility comes because of the past work of Mr. Justice Hall regarding the creation of medicare in the first place and all his contributions to the development of Canadian policies in many different fields.

I will finish on the expression "terms of reference". I happen to believe, and I am not the only one, that the so-called terms of reference are very general. I cannot withdraw that or swallow it back. I feel they are very general. They could not be broader, and I happen to be pragmatic enough that if I had been the minister and if I had decided to have a "review" of medicare, I would have preferred more precise terms of reference. That is a matter which could be discussed ad infinitum, but it has nothing to do with the question of privilege. My past experience with royal commissions or inquiries of any sort is that it may be better in a case like this to have strictly defined terms of reference.

My predecessor, the hon. member for Rosedale, chose a wide avenue; let us put it that way. I quote from his so-called terms of reference as follows:

> The review is requested to consider the extent to which the goals set forth in the "Charter of Health for Canadians" proposed by the Royal Commission on Health Services in 1964 are being achieved.

This is one sentence out of three pages I have in front of me. My copy happens to have three pages, and it was attached to the communique of ten pages.

Mr. Crombie: Two pages.

Miss Bégin: I will finish simply by repeating to my predecessor that I think, as we say in French, he is in the potatoes. There is no question of privilege here. He knows he did a great job as minister of national health and welfare. That was the first thing I told him when I telephoned him after I returned to the department. He did things of which I was jealous, except for medicare which we might have done differently, but on other points I thought he had done a remarkable job, which I was discovering literally day by day and week by week at the beginning of my new mandate.

This being said, I hope that I have given enough explanation to the House to clarify the whole situation.

Madam Speaker: Order. I have listened to both sides, and I think I have listened to sufficient arguments on both sides in order to rule on this question.

There is obviously a very great difference not only of interpretation but also regarding what time this interpretation

was understood by another party. I have listened very carefully to see whether there was a matter of privilege involved.

The hon. member for Rosedale (Mr. Crombie) is obviously not satisfied with the answers he has received from the minister. What was clear to him might not be just as clear to the hon. minister, but that is something over which I have absolutely no power.

The exchange which has taken place, because the hon. member has raised a question of privilege, has served to bring out more information, and that in itself in any parliament, I suppose, is a good point, but it certainly is not a question of privilege. Moreover, the hon. member has moved a substantive motion which does not flow really from a question of privilege and, therefore, if the hon. member still wants to raise that motion, that can be done at another time.

So, having heard a speaker on one side and the hon. minister, it is with regret that I must rule that this is not a question of privilege.

MR. KILGOUR—USE OF EXPRESSION "SHYLOCK" BY MEMBER FOR NORTHUMBERLAND-MIRAMICHI

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, during oral question period the hon. member for Northumberland-Miramichi (Mr. Dionne) used an expression in his question, the word "Shylock", referring, I believe, to the members of OPEC. In the last Parliament, Madam Speaker, your predecessor ruled that the word "Shylock", albeit in a slightly different context, was not parliamentary language. The hon. member was kind enough to come back into the House after I raised this with him in the lobby, and I wonder if Your Honour would consider ruling or, alternatively, if the hon. member would consider withdrawing that expression and using an acceptable synonym. I do, however, raise this as a question of privilege.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I would like to thank the hon. member for Edmonton-Strathcona (Mr. Kilgour) for advising me that he was going to raise this matter as a question of privilege. I do not believe it is a question of privilege. However, I will not argue that point.

I believe the ruling of your predecessor, Madam Speaker, was on quite a different matter when that word was used in reference to another member of this House. I used the word because it is my belief that the OPEC nations are using their availability of petroleum to extort money from the industrialized nations of the western world particularly, and Japan as well. I think that their action is unconscionable. In fact some of the OPEC nations even use their availability of oil as a threat to other nations, particularly our great friend and neighbour, the United States of America, which has done more to assist developing nations than any other nation in the world.

However, I certainly would not want to offend with my language any member of this House, or any Canadian. So, if it will please the hon. member, I would be glad to withdraw the word "Shylock" and substitute therefor the word "extortionists".

Madam Speaker: I think I can accept that the hon. member simply withdraws the word without substitution. However, I suppose what is said is said. I understand that the hon. member for Edmonton-Strathcona (Mr. Kilgour) is satisfied with this correction which has been made by the hon. member for Northumberland-Miramichi (Mr. Dionne).

• (1640)

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

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise on a question of privilege.

Madam Speaker: Is it a new one?

Mr. McKnight: Yes, a new one, Madam Speaker.

Madam Speaker: I will hear it.

Mr. McKnight: The question of privilege which I would like you to hear arises out of a statement made by the Minister of National Health and Welfare (Miss Bégin) on May 14, found in *Hansard* at page 1061. I should like to quote it. It starts in the middle of the paragraph and reads:

—to ask the local population and community to react to financial barriers being imposed when they should not be imposed in the light of the huge payments being made by taxpayers in all of Canada for medicare in Alberta, as everywhere else—though not in Saskatchewan by the way.

Madam Speaker: Order, please. If the hon. member wants to raise a new question of privilege, which I would be delighted to hear, it would be in order that he give me a written notice of it since he is referring to something that has been said in a previous sitting of the House, as did the hon. member for Rosedale (Mr. Crombie) before him. So, if I receive a notice, I will entertain the question of privilege when it is presented to me.

ROUTINE PROCEEDINGS

[*Translation*]

FEDERAL BUILDINGS

MEASURE TO PROVIDE FOR THE FLYING OF NATIONAL AND PROVINCIAL FLAGS

Mr. J.-Roland Comtois (Terrebonne) moved for leave to introduce Bill C-596, requiring the Canadian flag and the flag of the province to be flown on federal buildings.

Some hon. Members: Explain.

Mr. Comtois: Madam Speaker, I am very proud the day after a large majority of Quebeckers have expressed their will

to remain in the Canadian federation to introduce this bill to provide for the flying of the Canadian flag and the flag of the province on federal buildings.

Madam Speaker, Canadians from Quebec have rediscovered yesterday that they are proud of flying both the Canadian and the Quebec flags together. Given the spirit that prevails today in this House, I ask for unanimous consent in order to proceed forthwith and without debate with all stages of this bill.

Madam Speaker: Is it agreed that the hon. member be allowed to introduce this bill?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree that this bill be dealt with at all stages this day?

Some hon. Members: Agreed.

Mr. Collenette: I am sorry, Madam Speaker, no.

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

* * *

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

Hon. Charles Lapointe (for Minister of Finance) moved for leave to introduce Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81.

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

* * *

[English]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 18, 181, 186, 218, 243, 260, 329, 405, 406, 610, 613, 694, 727 and 728.

[Text]

CANADA PENSION PLAN—MONEYS LOANED

Question No. 18—**Mr. Cossitt:**

1. What was the total, by province, of moneys loaned from the Canada Pension Plan?

2. What interest is paid on such funds?

3. In each of the past five years, what amount was (a) received (b) paid out of the CPP?

Hon. Pierre Bussières (Minister of State, Finance): 1 and 3. The information sought by the hon. member is equally accessible to him, being reported annually in the Public Accounts of Canada. Quarterly statements of the interest rate earned on moneys loaned and the distribution by province are also issued from the information division of this department, on request.

2. Section 113(2) of the Canada Pension Plan prescribes the interest to be paid on funds loaned from the Canada Pension Plan. The amount of interest received and the weighted average rate are reported in the Public Accounts of Canada.

POLYSAR CORPORATION LTD.

Question No. 181—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Polysar Corporation Ltd.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the Corporation (b) of loans, advances or guarantees extended by the government to the Corporation (c) investment by the government in the Corporation both before and after any write-off?

Hon. Pierre Bussières (Minister of State, Finance):

1. Polysar Limited is a private sector corporation wholly owned by the Canada Development Corporation in which the Government of Canada along with some 18,000 other shareholders holds an equity interest. Polysar is neither a Crown corporation nor an agent of Her Majesty nor does the government directly hold any equity in it. The government does not have any official knowledge of Polysar not available to the public. To assist the hon. member, the 1978 Annual Report of Polysar Limited, which is obtainable from the secretary of the company, 201 Front Street N., Sarnia, Ontario, N7T 7V1, shows:

	Year ended December 31	
	1977	1978
Revenues	$576,965,000	$747,762,000
Net Income	$ 14,431,000	$ 18,518,000

2. (a) Grants and contributions for fiscal 1977 and 1978 that exceeded $10,000 are published in volume II of the Public Accounts of Canada for those years. While this information is equally accessible to the honourable member, we have, however, had a cursory review made of the 1976-77 and 1977-78 Public Accounts volume II and note that in the former fiscal year, Polysar Limited received a grant, contribution or other transfer payment from the Department of Industry, Trade and Commerce of $244,713, "to advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects on terms and conditions approved by Treasury Board". In fiscal 1978-79, Polysar Limited received a contribution

from the same department, under the Enterprise Development Program, for $37,987. The company would appear to have received no direct or indirect subsidies or benefits other than those available to other Canadian corporations or individuals.

(b) and (c)

No loans, advances or guarantees were extended by the government to the corporation in either fiscal year and the government had no investment in the corporation before or after any write-off.

CANADIAN ARSENALS LTD.

Question No. 186—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Canadian Arsenals Ltd.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the Corporation (b) of loans, advances or guarantees extended by the government to the Corporation (c) investment by the government in the Corporation both before and after any write-off?

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

1. (a) 1977-78

Total Revenue	$8,128,810
Net earnings (deficits)	(1,156,759)

(b) 1978-79

Total revenue	$14,158,978
Net earnings (deficits)	(181,413)

2. (a) Direct subsidies received from the government to cover operating deficits and capital expenditures for the modernization of the plant and equipment were as follows:

1977-78	$1,200,000
1978-79	$1,540,000

(b) Nil

(c) Nil

BOEING AIRCRAFT

Question No. 218—**Mr. Herbert:**

1. (a) Since 1964, how many Boeing aircraft were bought by (i) Air Canada (ii) the Department of National Defence (iii) any other Crown corporation or agency (b) what amount was paid for each aircraft and in which year or years were payments made?

2. (a) Did the same consultant and/or agent act for Boeing in each case (b) what was the name of the consultant and/or agent?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

Management of Air Canada:

1. (a) (i) Seven B-747 and 22 B-727 aircraft. Three B-727 freighter aircraft were also purchased second-hand from United Airlines.

All of these aircraft have been delivered since February 1971.

In 1979, Air Canada announced orders for 12 Boeing 767-200, together with options for a further 18 aircraft of the same type. Deliveries of this equipment will commence in 1982.

(b) Air Canada considers the purchase prices proprietary.

2. Air Canada deals directly with Boeing and other aircraft manufacturers, and not through any agent or consultant.

Department of Supply and Services:

1. (a) The Department of Supply and Services has procured Boeing aircraft since 1964 on behalf of the Department of National Defence only.

(i) No procurement by DSS

(ii) 5 Model "707", DND designation CC-137 transports

9 "Chinook" CH-147 helicopters

12 "Voyageur" CH-113A helicopters

6 "Labrador" CH-113 helicopters

(iii) No procurement by DSS

(b) CC-137—4 at $10,809,272 each. 1 at $9,995,162. All payments made in FY 69/70.

Ch-147—8 at $3,424,086 each. Payments $15,278,-590 in FY 73/74, $12,114,098 in FY 74/75.

CH-147—1 at $6,041,760. Payment $5,142,856 in FY 77/78, $898,904 in FY 78/79.

CH-113A—12 at $751,350 each. Initial payment March, 1963, final payment September, 1967. (Records not available for further payment details.)

CH-113—6 at $614,100 U.S. Payment corresponding with deliveries October 1963 to August 1964. (Records not available for further payment details).

2. (a) All contracts were placed directly with Boeing. No agent acted for Boeing.

(b) Not applicable.

CANADA PENSION PLAN—MONEYS LOANED

Question No. 243—**Mr. Herbert:**

1. What was the total, by province, of moneys loaned from the Canada Pension Plan?

2. What interest is paid on such funds?

3. In each of the past five years, what amount was (a) received (b) paid out of the CPP?

Hon. Pierre Bussières (Minister of State, Finance): 1 and 3. The information sought by the hon. member is equally accessible to him, being reported annually in the Public Accounts of Canada. Quarterly statements of the interest rate earned on moneys loaned and the distribution by province are also issued from the information division of this department, on request.

2. Section 113 (2) of the Canada Pension Plan prescribes the interest to be paid on funds loaned from the Canada

Pension Plan. The amount of interest received and the weighted average rates are reported in the Public Accounts of Canada.

POST OFFICES—FLYING THE CANADIAN FLAG

Question No. 260—**Mr. Herbert:**

1. Are all post offices required, where it is physically possible, to fly the Canadian flag?

2. Can replacements be readily obtained for flags which are stolen or wilfully destroyed?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): 1. According to the general rules for flying and displaying the Canadian and other flags, approved by cabinet in 1966 and reproduced in the Secretary of State Department's brochure entitled "The Arms, Flags and Emblems of Canada", the flag must be flown at all federal government buildings, airports and military bases and establishments within and outside Canada. Federal departments and agencies must comply with this regulation, which also applies to post offices in buildings owned by the Department of Public Works.

2. Canadian flags can readily be obtained from the Department of Supply and Services stores.

PETRO-CANADA—NUMBER OF EMPLOYEES

Question No. 329—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Petro-Canada and its subsidiaries as at March 31, 1979?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): (a) 2,068; (b) none.

SUPERANNUATION ACCOUNTS

Question No. 405—**Mr. Herbert:**

What amount was to the credit of the (a) Public Service Superannuation Account (b) Canadian Forces Superannuation Account (c) Supplementary Retirement Benefits Account on March 31 (i) 1974 (ii) 1975 (iii) 1976 (iv) 1977 (v) 1978 (vi) 1979 (vii) 1980 and, in each case, what was the rate of interest on new money and what was the average rate of interest on invested funds?

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council):

	March 31, 1974	March 31, 1975	March 31, 1976	March 31, 1977 (000,000's)	March 31, 1978	March 31, 1979	March 31, 1980
(a)							
Balance in Public Service Superannuation Account	$5,427.5	$6,420.3	$7,312.2	$8,147.8	$9,041.9	$10,092.7	$11,200 (estimated)
Rate of Interest on New Money	7.53 per cent	8.98 per cent	9.19 per cent	9.16 per cent	8.95 per cent	9.95 per cent	11.45 per cent
Weighted Average Rate of Interest	6.34 per cent	6.71 per cent	7.06 per cent	7.35 per cent	7.61 per cent	7.95 per cent	8.24 per cent
(c)							
Balance in the Supplementary Retirement Benefits Account	$34.9	$75.6	$129.6	$205.2	$344.8	$501.5	$640 (estimated)
Rate of Interest	7.19 per cent	7.13 per cent	8.50 per cent	7.63 per cent	8.0 per cent	9.88 per cent	13.63 per cent

There is no distinction made in the Supplementary Retirement Benefits Account between the rate of interest on new money and the weighted average rate: Rather the rate of interest credited on the entire balance changes quarterly in accordance with the currently outstanding five year bond rate.

(b) Balance in the Canadian Forces Superannuation Account (CFSA):

Date	CFSA	Acturial Account	Total
31-3-74	2,045,491,841.99	3,059,808,851.27	5,105,300,693.26
31-3-75	2,116,679,314.41	3,655,451,539.68	5,772,130,854.09
31-3-76	2,186,562,695.73	4,270,267,250.56	6,456,829,946,29
31-3-77	2,263,362,998.98	4,742,803,872.70	7,006,166,871.68
31-3-78	2,333,892,449.03	5,204,825,818.72	7,538,718,267.75
31-3-79	2,395,774,484.40	5,678,838,368.32	8,074,612,852.72
29-2-80	2,418,581,637.72	6,134,912,849.72	8,553,494,487.44

The rates of interest pertaining to CFSA were as follows:

1973-74:
Quarter ending 30-6-73—1.5042 per cent
" " 30-9-73—1.5252 per cent
" " 31-12-73—1.5364 per cent
" " 31-3-74—1.5490 per cent

1974-75:
Quarter ending 30-6-74—1.5642 per cent
" " 30-9-74—1.59 per cent
" " 31-12-74—1.6259 per cent
" " 31-3-75—1.6363 per cent

1975-76:
Quarter ending 30-6-75—1.6612 per cent
" " 30-9-75—1.6724 per cent
" " 31-12-75—1.7109 per cent
" " 31-3-76—1.7209 per cent

1976-77:
Quarter ending 30-6-76—1.7471 per cent
" " 30-9-76—1.7488 per cent
" " 31-12-76—1.7707 per cent
" " 31-3-77—1.7891 per cent

1977-78:	Quarter ending 30-6-77—1.8102 per cent
	" " 30-9-77—1.8204 per cent
	" " 31-12-77—1.8372 per cent
	" " 31-3-78—1.8508 per cent
1978-79:	Quarter ending 30-6-78—1.8674 per cent
	" " 30-9-78—1.9102 per cent
	" " 31-12-78—1.9228 per cent
	" " 31-3-79—1.9304 per cent
1979-80:	Quarter ending 30-6-79—1.9528 per cent
	" " 30-9-79—1.9702 per cent
	" " 31-12-79—1.9998 per cent

SUPERANNUATION—NEW PENSIONERS

Question No. 406—**Mr. Herbert:**

For the year (a) 1977 (b) 1978 (c) 1979, how many new pensioners received, each month, public service superannuation, Canadian forces superannuation and supplementary retirement benefits?

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): I am informed by Treasury Board and the Department of National Defence as follows:

Month and Year		Number of New Pensioners in receipt of Benefits under the PSSA—Immediate Annuities, Annual Allowances, Deferred Annuities
Jan.	1977	133
Feb.	1977	209
March	1977	265
April	1977	499
May	1977	358
June	1977	466
July	1977	599
Aug.	1977	460
Sept.	1977	492
Oct.	1977	644
Nov.	1977	488
Dec.	1977	3,013
	Total for 1977	7,626

Month and Year		Number of New Pensioners in receipt of Benefits under the PSSA—Immediate Annuities, Annual Allowances, Deferred Annuities
Jan.	1978	141
Feb.	1978	369
March	1978	321
April	1978	532
May	1978	423
June	1978	487
July	1978	634
Aug.	1978	566
Sept.	1978	743
Oct.	1978	468
Nov.	1978	566
Dec.	1978	3,605
	Total for 1978	8,855
Jan.	1979	169
Feb.	1979	242
March	1979	543
April	1979	382
May	1979	477
June	1979	656
July	1979	498
Aug.	1979	467
Sept.	1979	702
Oct.	1979	448
Nov.	1979	562
Dec.	1979	3,356
	Total for 1979	8,502

The following numbers of people started to receive benefits under the Supplementary Retirement Benefits Act when their deferred annuities became payable under the Public Service Superannuation Act.

	1977	1978	1979
Jan.	55	47	51
Feb.	41	44	32
March	45	53	40
April	49	41	47
May	44	53	47
June	38	56	62
July	41	40	38
Aug.	41	53	47
Sept.	40	53	37
Oct.	48	41	52
Nov.	29	49	66
Dec.	50	45	59
Total	521	575	578

For those in receipt of immediate annuities or annual allowances under the Public Service Superannuation Act, benefits became payable under the Supplementary Retirement Benefits Act in the January following the initiation of payment of the annuity or allowance.

January 1977	January 1978	January 1979	January 1980
6,805	7,105	8,280	7,924

For new Canadian forces superannuation (CFSA) pensioners and supplementary retirement benefits (SRBA) pensioners on CFSA for years (a) 1977 (b) 1978 (c) 1979—

Month and Year		New CFSA Pensioners	New SRBA Benefits
Jan.	1977	188	547
Feb.	1977	288	184
March	1977	283	227
April	1977	440	210
May	1977	295	225
June	1977	316	207
July	1977	306	187
Aug.	1977	368	201
Sept.	1977	343	211
Oct.	1977	408	267
Nov.	1977	445	242
Dec.	1977	419	201
	Total for 1977	4,099	2,909
Jan.	1978	311	598
Feb.	1978	338	221
March	1978	311	232
April	1978	309	229
May	1978	260	204
June	1978	235	214
July	1978	243	176
Aug.	1978	321	215
Sept.	1978	318	258
Oct.	1978	427	190
Nov.	1978	370	219
Dec.	1978	446	214
	Total for 1978	3,889	2,970

Order Paper Questions

Month and Year		New CFSA Pensioners	New SRBA Benefits
Jan.	1979	283	627
Feb.	1979	325	219
March	1979	240	237
April	1979	305	212
May	1979	385	237
June	1979	240	199
July	1979	321	177
Aug.	1979	295	192
Sept.	1979	330	258
Oct.	1979	532	460
Nov.	1979	455	238
Dec.	1979	387	186
	Total for 1979	4,098	3,242

New pensioners includes release personnel, widows and children on education allowances.

VETERANS AFFAIRS—LAWYERS ON STAFF

Question No. 610—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Veterans Affairs?

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

Department of Veterans Affairs	1	Justice Department
Bureau of Pension Advocates	38	
Pension Review Board	1	
	39	

ENVIRONMENT—LAWYERS ON STAFF

Question No. 613—**Mr. Howie:**

How many lawyers are employed on staff in the Department of the Environment?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): There are five lawyers on staff. These lawyers are seconded from the Department of Justice.

SUPPLY AND SERVICES—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 694—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Supply and Services for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

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

1. 76.

2. (a) 76;
   (b) Nil;
   (c) Nil.

3. 14.

4. $609,779.

DC-10 AIRCRAFT

Question No. 727—**Mr. Benjamin:**

1. Since the 1977 flight test, in which an Air New Zealand DC-10 encountered structural damage, has the Department of Transport test flown the DC-10 aircraft to determine if it should qualify for a certificate of airworthiness and, if so (a) on what dates (b) with what results?

2. Since May 25, 1979, did the department conduct test flights, inspections or investigations of the engine, pylon, wing mounts on DC-10 aircraft operating in Canada and, if so, of what type?

3. What, if any, standards additional to the U.S. certificate of airworthiness, has the department included in its type approval of the DC-10 aircraft?

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

(a) On August 4 and 5, 1978.

(b) Flight test results were satisfactory. It was demonstrated that, at the revised minimum speed limitations proposed by the company, there was a strong and effective deterrent to further speed reduction. Prior analysis and flight tests by the company had established that damage would not occur to the elevators if these limitations were observed.

2. Yes. Engineers and technical inspectors of the department witnessed inspections of the engine, pylon, wing mounts conducted by the Canadian company which operated DC-10 aircraft. In addition, an engineer and a technical inspector of the department participated in the United States Federal Aviation Administration's review of the DC-10 design, manufacture and maintenance.

3. The Canadian type approval of the DC-10 includes the following in addition to the U.S. federal aviation administration requirements:

(a) Incorporation of Spoiler System SCN C27602-02 dated, August 1, 1974;

(b) Incorporation of second stick shaker, SCN C34161-4 dated, April 6, 1972;

(c) Incorporation in the Aircraft Flight Manual of the revised minimum speed limitations referred to in the answer to question 1 (b).

McDONNELL DOUGLAS—DC-9

Question No. 728—**Mr. Benjamin:**

1. Did McDonnell Douglas inform Air Canada three years ago to either modify the tail end of its DC-9 aircraft or to inspect regularly for cracks in tail areas and, if so, did the department change the standards required to meet its type approval of the DC-9?

2. Have any cracks or defects been found in the fuselages of DC -9 aircraft operating in Canada during the past five years and, if so (a) how many (b) how many were similar to the one that caused the tail cone of a DC-9 to fall off an Air Canada flight near Boston in September 1979?

[*English*]

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. McDonnell Douglas informed Air Canada through a McDonnell Douglas service bulletin, dated May 25, 1976, to inspect regularly for cracks or modify the tail areas of DC-9s. The department did not change the standards required to meet the type approval as the above inspections and modifications were not due to any deficiency in the standards.

2. Some cracks and defects have been found in DC-9 fuselages in the last five years.

(a) During the service life of a fleet of aircraft scheduled inspections of the aircraft are carried out in accordance with the maintenance instructions.

It is not unusual to find some cracks and defects. These are monitored and repaired as required, and records are kept.

From design knowledge and experience with a fleet of aircraft, the operator and manufacturer have knowledge of the areas where cracks and defects are prevalent, and as well as inspecting the total aircraft, concentrate on these areas. Counting the cracks and defects found in a fleet of aircraft over the years would be very time consuming and serve no useful purpose. A typical inspection of one aircraft could generate up to 500 inspection tickets.

In summary, numerous cracks will have been found over the years, but the exact number is not available without undertaking the monumental task of reviewing the documentation for the DC-9 fleet of 43 aircraft.

(b) No cracks similar to the one that caused the tail cone to come off were found prior to the accident. Post accident inspections revealed three similar cracks in the remaining Air Canada fleet of DC-9s.

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

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

S.O. 26

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AGRICULTURE

DROUGHT CONDITIONS IN WESTERN PROVINCES

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, it is my intention at this time to introduce a motion under Standing Order 26, followed by a very brief statement in support of this serious motion. I ask leave of the House, seconded by the hon. member for Portage-Marquette (Mr. Mayer), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the agricultural drought, which might properly be described as a continental drought, which includes the major portions of Manitoba, Saskatchewan, Alberta and the interior of British Columbia.

It is imperative that the implications of this developing disaster, now reaching critical proportions, and the appropriate remedial actions which could be taken, be considered on an urgent basis by the government and the House.

I should like to make a few brief comments about this very serious motion which I have just moved. To begin with, I would say that an agricultural drought in western Canada is not unusual in itself, but after many, many years and many droughts I believe I know that this one is somewhat different, and I want to explain why.

It is most unusual because it is so widespread, spreading from the interior of British Columbia across the three prairie provinces to the east side of Manitoba. It is only a part of the north American continental drought which includes all the northern American states and the portion known as the northwest corn belt in the United States. It extends much farther north in Canada than any previous drought, including the ten-year drought in the 1930s in which I was very much involved.

I would remind you, Madam Speaker, and the House, that the last emergency debate dealing with an agricultural matter under Standing Order 26 took place on October 31, 1974, when the subject matter was the beef cattle market price situation. I am sure there are members in the House who will recall that that debate was precipitated by a dramatic slaughter of Holstein bull calves shown in living colour on television cameras and taking place somewhere in the province of Quebec.

It was over three years ago that the last debate on drought took place in this House during a Conservative opposition day on May 3, 1977. On both these occasions the prevailing agricultural crisis was not nearly as serious and as widespread as the present highly critical situation, and I mean that most sincerely. That situation involves the entire western grain industry where, in many cases, the seeding of spring grains has ceased because of lack of moisture in the soil. It includes the grass and feed sector so necessary for our cattle industry covering 45 million acres in western Canada, and it even includes the northern forest fire situation which is so critical. That is another extension of this serious drought.

Finally, there has been no appreciable soil moisture since early last fall, and it is definitely true that in the winter we have just been through there was indeed a drought. What I am so concerned about is that we came through a winter with no moisture in our soil to show for it, and I see definite parallels to the situation that prevailed in the 1930s. I see a situation building up which could last even a few years, and that would be sheer disaster at this time. I know the situation is in Madam Speaker's hands and your hands only, but I feel there is some urgency here which warrants the special debate I am asking for at this time.

• (1650)

Some hon. Members: Hear, hear!

Madam Speaker: I thank the hon. member for Medicine Hat (Mr. Hargrave) for notice of his intention to move a motion under the provisions of Standing Order 26. He has given proper notice to the Chair of his intention to move the adjournment of the House under the provisions of this Standing Order.

As the hon. member knows, the Standing Order provides that the Speaker shall decide whether or not the matter which he raised is proper to be discussed at this time. I have looked carefully at the conditions set out in Standing Order 26 and in the precedents. While the matter, of course, is very important and of public interest, in my view it is not a sudden emergency.

Like my predecessors, I must consider that a proper matter to be raised under the provisions of Standing Order 26 must relate to a genuine emergency. The situation described by the hon. member is of a developing nature. In fact those are the very words used by the hon. member himself.

In support of what I have just said, may I refer members to a similar situation which occurred on June 27, 1961, when the then leader of the opposition, the Hon. Lester B. Pearson, moved a similar motion concerning the drought conditions prevailing at that time in western Canada and where Mr. Speaker Michener ruled that the matter could be brought up through some other procedures. The situation referred to by the hon. member in the precedent that he invoked was, in my view, somewhat different from the one that we are experiencing now.

In this instance I am sure the hon. member knows that the matter can be raised in committee where the estimates of the Department of Agriculture are currently under study, and of course, also there are other ways for the hon. member to bring this important matter before the House. Therefore I must rule with regret—because I know a lot of members in this House share his concern over the situation which is prevailing in western Canada—that the matter is not a proper one for debate under Standing Order 26.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, regarding the interpretation of Standing Order 26, I wish to draw your attention to section (3) which states, I quote:

> When requesting leave to propose such a motion, the member shall rise in his place and present without argument the statement referred to in section (2) of this order.

So if one considers the statement which was made today, Madam Speaker, first it seems to me that it was not presented without argument, on the contrary, and that it was much too long. I would not want the House to get used to tolerating such lengthy and argumentative statements when motions of this kind are proposed. I simply want my objection to the way in which this matter has been approached today, to be officially recorded. In my opinion the statement was much too lengthy and contained arguments contrary to the provisions of section (3) of Standing Order 26 and I would not like this situation to happen again.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I thought you had made your ruling, but I cannot sit still with respect to the intervention by the President of the Privy Council (Mr. Pinard). It has always been the practice in this House for a member raising a motion under Standing Order 26 to speak—indeed the Chair has invited the mover to speak briefly to the urgency—

Mr. Knowles: Not since 1968.

Mr. Nielsen: —to the urgency of the subject matter he raises in the motion itself, to assist the Chair in coming to a decision as to that very urgency.

[*Translation*]

Madam Speaker: I thank the hon. President of the Privy Council (Mr. Pinard) for his remarks. I am not all that clear as to how lengthy the intervention of a member can be when he raises a matter under Standing Order 26. Today, however, I insisted on listening to the hon. member because I wanted to understand fully his reasons for attributing to this matter a sense of urgency.

Now I recognize with the hon. minister that perhaps the hon. member extended a little his arguments to the situation existing in western Canada rather than limiting them in fact in a very narrow way to the reasons which justify the urgency. However, I listened to him to be more enlightened, but I take the minister's remarks in good part.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

INCREASE IN MAXIMUM MONTHLY AMOUNT OF SUPPLEMENT

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-16, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

She said: Madam Speaker, on January 15, 1980, the right hon. Prime Minister (Mr. Trudeau), who was then the leader of the opposition, announced a major part of our electoral program, namely, an increase of $35 per household in the monthly guaranteed income supplement for senior citizens.

Today we are giving second reading to Bill C-16, which I think is very appropriate after yesterday's referendum vote of Quebeckers in favour of Canada. This bill illustrates one of the roles of the federal government for Canadians, namely, the redistribution of wealth which, because it varies according to economic times, plays in favour of every Canadian wherever he or she lives in Canada at one point or another in our history.

As many members sitting here today will recall, this is not the first time that we have brought before the House a bill very similar in nature to Bill C-16. Just over a year and a half ago, we discussed and passed unanimously, if I remember well, Bill C-20 which gave senior citizens receiving the GIS supplement and living alone an increase of $20 a month, which was divided for couples, each receiving $10 a month. Today's bill presents the same characteristics except that the amount of money is different. It is far more generous than the earlier one, but it serves the same purpose. It narrows the poverty gap in Canada, of course, for senior citizens in this particular case. In other words, it improves the economic situation of those elderly Canadians who are in the greatest need.

We decided that of all those in need of assistance in Canada right now, priority should be given to those most in need, that is, the beneficiaries of the guaranteed income supplement program and the spouse's allowance program.

[*Translation*]

I think that all hon. members know that the old age pension supplement is paid to pensioners who receive the basic universal pension but who do not have any other income or who only have a small income in addition to their basic pension. The supplement is also paid to the spouse of a pensioner, aged 60 to 65, when the couple is in need. In other words, those who get the old age security pension supplement need some help and experience difficulty in making both ends meet. Of course, for several years now, more specifically since 1973, the old age security pension and its supplement are indexed every three months. But the fact remains that this is not an increase. Indexing is merely a means of keeping the pension up to date and protecting the purchasing power of the dollar or the income supplement.

At the present time in Canada single pensioners, that is persons who are seperated, divorced, single, widowers or widows, are guaranteed a monthly income of $340.15. By guaranteed, I mean that if a pensioner, man or woman, in Canada depends exclusively on public funds to live and has not other personal income, he or she will get, under the law, $340.15 a month from the federal government. If that person has other income, for instance, interest from a savings account or a pension under the Quebec Pension Plan of the corresponding Canadian plan, then he or she can have a total income exceeding the guaranteed minimum. And that, due to the fact that instead of suddenly cutting off the pensioners from the guaranteed income, we have through the years adopted a scale to which people conform and through which we check the amount of their additional income. I believe everyone knows the rules of the game, that is, for every dollar of additional income from sources other than the old age pension, the pensioner loses 50 cents of the guaranteed income while naturally keeping the other 50 cents.

The amounts guaranteed the aged who are in need are clearly inadequate. On an annual basis, the amount guaranteed by our old age security programs, that is, the basic pension plus the old age supplement combined, represents roughly 80 per cent of the amount Statistics Canada defines as the poverty line. There is no doubt that an income which is slightly lower than 80 per cent of the poverty line is not acceptable in a country as rich as ours and is certainly not enough to live on decently.

● (1700)

[*English*]

The officials of my department estimate that there are approximately 700,000 single, widowed and divorced GIS recipients of the supplement to the pension who are living in poverty. Fully 60 per cent of them are women. Let me refer to a recent report by the National Council of Welfare describing what life is like for these women.

An hon. Member: That's my line.

Miss Bégin: You had the same in your speech, and that is very good. I am speaking of the hon. member for Rosedale (Mr. Crombie), my predecessor, because it is really important in today's Canada, it seems to me, to impress upon people again and again the effect of poverty, which is unfortunately often forgotten.

In this report we have one part of the testimony of a 67-year old "Mary S.", who said:

> "I'll tell you what it's like being an old woman alone who's only got the government pension to live on . . . It's wearing out your second-hand shoes going from one store to another trying to find the cheapest cuts of meat. It's hating having to buy toilet tissue or soap or tooth paste, because you can't eat it. It's picking the marked-down fruits and vegetables from the half-rotting stuff in the back of the stores that used to be given away to farmers to feed their animals.
>
> "We live in fear. Fear of the future, or more illness, less money, less pride. Fear that the cheque won't arrive and we won't be able to work our way through the red tape in time to pay our rent. Fear that we will run out of food before the next cheque comes in."

There is no need to say that this is not acceptable to me, and it is not acceptable to the Government of Canada that persons who have given all their lives to working hard, to raising families and to building this country, should have to live this way. It is not acceptable, and that is why this bill is among the very first items to be brought before this session of Parliament.

I know there will be some persons who will say that the situation is not as bad as I have portrayed it. They will say that not all single, widowed and divorced GIS recipients have incomes below the poverty level. Of course, it is true that those who have some outside income and who receive what we call a partial GIS, or a partial supplement, may have in total an income that takes them just above the poverty line. But, it is also true that many single pensioners do not have such outside income. The fact that there are 700,000 GIS recipients in poverty is proof of this. We must help these 700,000 elderly Canadians as well as those who are just at or above the poverty line, under which I am sure none of us would like to live.

[*Translation*]

So the increase of $35 a month proposed in Bill C-16 will allow us to help them. Of course, the amount of money—and I anticipate, of course, the unanimous agreement of all parties—voted by the House of Commons, the amount of $35, will be added to the cheque for the month of July of unattached pensioners, that is single, separated, divorced, and widowed pensioners. So the cheque for the month of July will include the basic old age pension payment, the present supplement, the quarterly indexing—because July 1 is a date of quarterly indexing—and a full $35. I do want to make that clear for all those who are listening. I would add that couples receiving a supplement, whether part or all of the supplement, will have $17.50 each added to their cheque, which makes a total of $35 for a couple.

So, in making that adjustment, what are we doing in terms of fighting poverty since that is the concept underlying this bill? In paying that supplement, we are bringing single pensioners receiving a supplement to their old age pension to about 83 per cent of what is called the poverty line. That is not ideal; there will remain a gap to be filled that we will indeed fill as soon as the economy gets going again. But it is still important to know that this year the July increase will bring single pensioners to about 83 per cent of the poverty line while next year will bring them to 85 per cent of the same poverty line since people will be getting it during the whole year, not only part of the year as in 1980, and it will be indexed every three months.

Now, with respect to couples, here is how the bill will affect their lives. Couples receive a guaranteed income, that is guaranteed for all those who do not have other sources of income, of $628.62 a month. So one can say that their income is equal to the poverty line; it is not below the poverty line like in the case of single pensioners, it is right at the poverty line—one could say that they are 100 per cent at the poverty line. The increase of $35 a couple or $17.50 for each pensioner will bring them slightly above the poverty line, or about 3 per cent above what is considered the poverty line. Couples will therefore receive an annual guaranteed income of $8,162 beginning in July. It is easy to see from the tables of Statistics Canada that this amount is slightly above the poverty line. I believe that we can conclude on this point that bringing these people just above the poverty line is a very modest recognition of the role they have played in Canadian society. We are not talking about a luxury, but about a standard of living that none of us would ever accept and that we are constantly trying to improve.

I therefore think that I have explained how the life of single people and of couples will be improved beginning in July. I could add for clarification purposes that those who now receive the spouse's allowance will also receive the supplementary amount provided by this bill. Hon. members will immediately note that couples are treated differently from single people. Why is this? Does this constitute discrimination? I do not think so. During consideration of the previous bill a year and a half ago, we introduced for the first time the concept that couples would receive the equivalent of half of the amount proposed for single people. In other words, couples receive for both spouses the same as single persons. Why is this? The history of old age security pensions in Canada shows that, throughout the years, as our policy has developed, we have treated pensioners as individuals. It is now recognized that families have special budget problems and that a single person needs about two-thirds of the budget of a couple and not half as it was long believed. We must therefore increase proportionately the pensions of single persons, which explains the differentiation made in this bill.

Now that I have defined the basic amounts granted to pensioners and what this will mean in the fight against poverty in Canada, I believe that it is important to note that since we are increasing the cheques of all recipients of the old age supplement, whether this supplement be total or partial, we are automatically changing the income scale against which private income must be compared to determine whether a recipient is eligible for the supplement or not. By raising the income scale for all Canadian pensioners we automatically allow, as happened in 1979 with the previous hike, some 45,000 pensioners who do not now get the supplement because their meagre revenues are slightly above mark, to become eligible for part of the supplement. I would therefore invite Canadians who will be made aware of that by a special stuffer sent with the July cheque, if they have very low incomes, to see whether they will become eligible for a monthly supplement which, of course, in their cases will be less than $35 a month because it will be a matter of making up for their very slight income deficiency.

• (1710)

[*English*]

I shall now describe the cost of the bill which we are debating. Bill C-16 increases the supplement to pensioners by $35 per month. The cost in the first year of operation will be $345 million in addition to the regular program costs of the old age security program in the fiscal year 1980-81. In the first full fiscal year, 1981-82, the additional cost will be approximately $525 million.

The federal government is not the only source of financial assistance to elderly Canadians. It is fair to say that more and more provinces are introducing supplementary programs to assist elderly Canadians. Does this bill affect such programs and what is the relationship between the provincial programs and the federal program? When this House debated Bill C-20 a year and a half ago, hon. members of all parties learned for the first time that, in order to make sure that elderly Canadians living in provincial institutions around the country receive the full benefit of this increase which we are discussing today, a positive decision must be made in that direction by each provincial government.

Consequently, I have written to my provincial counterparts asking that they ensure that pensioners who receive what is called "provincial top-up payments" receive the full benefit of our federal increase. At the same time I have also urged that this principle apply, as far as is possible, in relation to the so called "comforts allowances" availalble to pensioners residing in institutions. I am pleased to inform the House that the government of British Columbia and the government of Nova Scotia—a province on the Atlantic coast and a province on the Pacific coast—have advised me that they will be passing on the full increase to all GIS recipients.

We are pleased and hopeful that the other provinces will respond to my appeal in a similar manner. There is no need to say that I will do everything in my power to guarantee that all Canadians eligible for the GIS or the spouse's allowance will benefit from this increase.

[*Translation*]

This matter is very serious indeed and I feel I have a duty to impress upon the House the need for a common approach throughout Canada and in every political party, because it is a fact of our democratic life that no single party represents each and every Canadian province, in order to settle the unfortunate situation of income pensioners living in institutions in various provinces.

Let us take for instance my own province of Quebec. Should the Quebec government—which, unfortunately, like seven other provinces, has yet to answer—decide in cabinet not to give the full $35 by increasing the comfort allowance, that province will pocket some $7 million of pensioners' money.

I think that that is quite serious and that members from all provinces should question the slowness which seems to exist everywhere, in order to encourage the provinces to take the proper decision so that pensioners residing in institutions can benefit directly from the increase provided by this bill concerning the guaranteed income supplement.

[*English*]

I guess it is fair to say that passage of Bill C-16 will present an important step toward assuring all Canada's elderly of the adequate income to which they should be entitled. It is not the only step we intend to take and, as I said, it is not the final step we have to take. Some money will still be missing to bring people living alone above the poverty line. An annual injection of more than half a billion dollars into the incomes of senior citizens in Canada who are in need is an important additional step toward narrowing the gap and relieving poverty in our country.

• -1

We should like, as we announced in the Speech from the Throne, to convene a national pensions conference, hopefully in the fall, and we would like this conference to bring together representatives of all the economic partners involved in the pension field. I am thinking of the private pension field in particular. There are the federal and provincial governments as employers and legislators, the private pension industry, Canadian workers and their employers, pension groups and other interested parties in this country. We want to know their views on the urgent pension problems facing the country and we want to discuss the issues of concern to them.

We have about one dozen very good reports and we are waiting for the Ontario royal commission report which was due some time ago. It is coming, and I understand it will be so thorough that it may comprise ten volumes. We will have from different sources, from the Ontario government, the Quebec government with the Cofirentes, from the Economic Council of Canada, the National Welfare Council and many other sources, such as the Lazar report, a reservoir of ideas that we must air together and discuss, delineating the avenues through which the whole pension system in Canada can be upgraded to ensure that senior citizens not only have the minimum—which we do not think is enough—but that when they reach the age of 65 they have the good life that they have slowly built through the latter part of their lives.

In concluding my speech, Mr. Speaker, I would ask for the co-operation of members of all parties for rapid passage of what I am sure is an uncontroversial bill, Bill C-16. It is only a beginning in this new session of Parliament, a concrete start toward the fulfilment of a promise for a better quality of life for the people of Canada.

[*Translation*]

Mr. Speaker, today follows a very historic day in which the people of Quebec decided that their future was with Canada and decided to nurture their roots dating back more than a century. I want to say to the senior citizens who made this country that they can be assured and proud that we decided yesterday in my home province, Quebec, and all of Canada knows and is discussing this vote today, to keep the heritage intact and to leave it in full to our children.

Old Age Security Act

[*English*]

Hon. David Crombie (Rosedale): Mr. Speaker, first of all I should like to thank you for the opportunity to intevene with respect to this piece of legislation. Like the minister and, indeed, all members of the House, I am interested in its speedy passage. I do not think there is anyone who would oppose the bill. I should like also to associate myself with the remarks of the minister with respect to this being an example of the role of the federal government.

I was careful to note that throughout the referendum debate when questions of social policy came up, whether or not they should be shared responsibilities or the sole responsibility of a province or the federal government, very often people were quick to say that social policies ought to be with the provinces. I noticed during the referendum debate that the minister, and indeed the leader of the federalist forces in the province of Quebec, indicated on a number of occasions that it was concern for family allowances, old age security and social policies that come from the federal government, that weighed heavily on the minds of a number of people in the province. I think it would be worth while keeping an eye on what happens to social policy over the next couple of years with respect to constitutional talks.

I am one of those who believe there is a proper and appropriate role for the federal government in the field of social policy, both for the amelioration of the range of incomes but more particularly in funding of specific social programs. I am not sure how many in this House agree with that view, but it was something I had hoped to hear the minister mention.

Toward the end of her comments the minister indicated the necessity of provincial co-operation so that there is not what is known in the social welfare legislation business as any "leakage" to the provinces. The minister is quite correct; that can be a problem. I wish her well in discussions with the provinces and if she needs assistance we will be happy to offer it. Everyone here wants to make sure that funds go to those who need them.

I was careful to note what the bill means to numbers of people. This is a very impressive list of statistics. The $35 increase in the proposal would affect an estimated 721,000 single beneficiaries, 225,000 married couples where both are pensioners, 44,000 one-pensioner couples and 81,000 couples receiving the spouse's allowance—in total, approximately 1.1 million households would receive the $35 increase.

The proposed increase of $35 per household per month, effective July 1, 1980, will ultimately amount to $475 million. I think anyone reading those statistics would be impressed that $35 seemingly goes so far, and I have some comments to make in that regard. I think it is well to put the bill in some kind of perspective, and a historical perspective is always wise.

In 1967 when the GIS was introduced, a single individual received payments equal to 72.2 per cent of the poverty line. That is to say, when the GIS was first introduced we gave enough so that people were brought up to 72 per cent of the poverty line, or 28 per cent below it. That was 13 years ago.

In 1971 the GIS was increased by $20 per month. Without that increase an individual would have been at 68 per cent of the poverty line, but the increase brought him to 77 per cent of it. By 1978 individuals had fallen to 73.5 per cent of the poverty line with the low income they received from government pension plans. By April, 1979, with an increase of another $20 to the GIS, individuals were at 78.5 per cent of the poverty line. Had the boost not occurred, they would have been back down to 73 per cent. I am sure you could keep those figures in your head, Mr. Speaker, but others did not.

• (1730)

The point is clear. The indexing of the GIS does not work. That is why there needs to be a constant pumping in of fixed amounts of money. The $35 now and the $20 previously were not add-ons. In fact the total effect of the legislation since 1967 has been to maintain them below the poverty line and have their heads just above water. I know the minister is interested in bringing them up to the poverty line, and even beyond in the case of marrieds in the plan.

The fact is that the way in which we have gone about the implementation of the GIS over 13 years, every time we increased it, it has been purely to keep them where they were at and marginally more. The minister chose her words when she said "narrowing the poverty line". Narrowing is exactly what it is. That is not the fault of the minister, but until we find another way in which to index the GIS, we are not going to see those add-ons as doing little more than simply maintaining what we have got. What we have got, as the minister indicated, are thousands of people below the poverty line, and in this particular instance most of them women.

It is time that the ministry, the department and any incumbent minister gave thought to changing the index that is used for the GIS. The consumer price index, which is the index that is used, does not any longer, if it ever did, have any relevance to the particular group of people we are talking about.

Mr. Knowles: Hear, hear!

Mr. Crombie: Thank you. Let me emphasize that if I can. If you look at the CPI March-April of this year, here is the breakdown for incomes. Think of all the people over the age of 65 that you know and have some sense of how they split up their budget. Food, 21.5 per cent; housing, 34.1 per cent—not in my city—clothing, 10.1 per cent; transportation, 15.8 per cent; health and dental care, 4 per cent; recreation and reading, 8.3 per cent; tobacco and alcohol, 6.2 per cent.

Whatever deficiencies the CPI may have or whatever value it may have as an index for other things, for people over the age of 65, indeed I would argue for people over the age of 55, those getting the GIS, whether we move it below 65 or maintain it at and above, we need a new index. The CPI does not fit our need any longer. The simple reason is that clothing, housing and food increase faster in our society than the other items in the CPI. It is those items on which older Canadians are more dependent.

Despite the welcoming of this bill, and I know hon. members will pass it in a hurry, it is wise to remember that it is simply not an add-on but is in fact required in order to keep up where we have been below the poverty line. Indeed, the index we use is no longer applicable. We should have a new index. I do not know what you would call it, but it should be one that takes into consideration the actual living realities of older Canadians and where they live.

There is another area I want to comment on with respect to the bill and with respect to some of the remarks made by the minister. I was not impressed with that part of the Speech from the Throne which called for a national pensions conference. Generally speaking, I am in favour of conferences. At best, they bring people together who share a common concern. They can exchange views. That is always worth while.

The reason I have difficulty applauding this particular conference is that it is going to take the place of something that is very important, that is, a comprehensive review of pensions and the issues that surround pensions. One of the things in the world of might-have-been's which I thought was useful, and hoped the new government would have carried on, was that the Standing Committee on Health, Welfare and Social Affairs had been empowered by all-party agreement to investigate and make recommendations to the House with respect to issues dealing with pensions generally, in short a comprehensive approach.

At that time, as I recall, there were a number of people, both privately and in the House I might add, who said, "More reports! More meetings! Where is the legislation? Why more reports?" I explained at that time, and I think it is still fair to say, that the purpose of the committee was not to create any new ones but to be able to synthesize those being done by a variety of other sources and bodies.

When the minister talks about the national pensions conference, I gather she sees that as the substitute for legislation. The first step to legislation was to put it in that standing committee. It seems that was the appropriate thing to do, because indeed the issues that surround pensions ought to be known to everyone now. An increase of $35 a month does not amount to a pensions policy, nor does the holding of a conference. The issues have to be dealt with. Those issues are as follows.

First, the actual on-street economic and financial situation for many older Canadians, both below and above 65 years of age, which they find themselves facing. The minister quoted, although she did not identify the page, from the report "Women and Poverty", a report by the National Council of Welfare. On page 12 of that report you will find a description of a 67-year-old woman known as Mary S. It really is a good insight into the kind of reality these people face. It points out that the biggest enemy for these people is not fear but loneliness. Other than that, there is a very good description of what it is like for many, many thousands of Canadians. I quote from the report:

—most poor women who live alone are over the age of 55. While a few are low-income women who never married and others are divorced or separated women getting inadequate support payments, the majority are widows who were left with very little on which to live after their husbands' death.

● (1740)

Here is the key, Mr. speaker. "In Canada, two out of every three elderly widows have incomes which are below the poverty line." I do not think it needs to be embellished as the first issue, as the description of the reality of where older Canadians exist. That says it, and no amount of statistics or reports will change that fact.

Second, somewhat implied by the first, is the level of protection provided to women by the pension system. The level of protection by both public and private pensions in this country is abysmal. Indeed, the Lazar report which was started some three years ago is a very lengthy report containing a number of recommendations as to what ought to be done with respect to pension systems, both public and private, for women in our society. Let me put it another way. If you want to be poor in this country, be old and be female, because your chances will increase dramatically and no amount of statistics will change that, either.

Third, the performance of the private sector. That is a strong issue, I think, because we have to do two things; we have to assess that performance as the Lazar report and some others too, and we also have to take that performance and measure it against the public systems which are available. While I am on that subject I might add that when we are talking about the performance of those private pensions we need, now as never before, a review of the Canada Pension Plan itself not only in relation to how we "access women" to it but, indeed, what we ought to do in the future in terms of its funding. This is a matter which is fast coming upon us—by the mid-eighties if we do not deal with it soon. Or, like too many things in this country, we will find we are playing catch-up ball with our own ball and bat.

The fourth issue is the introduction of greater flexibility in the age of retirement. That is one of the minister's reports coming in, I gather, from the Senate. Its progress is painfully slow but it is still coming from the Senate. I think it is part of the Croll report. Any policy which envisages flexibility with regard to mandatory retirement at the age of 65 will be welcomed by many people for a variety of reasons, and I do not think the minister need worry about the kind of support she might get in bringing forward a policy of that type.

Fifth, and something which is not talked about very often in conjunction with pensions because it is so often dealt with as a separate category, is the position of the disabled and handicapped in relation to pensions, not only the amount of money but even more particularly, to the disincentive which occurs as year after year both provinces and country and, I might add, municipalities, have done their best to handicap the disabled because the way we go about the funding of those pensions in relation to handicapped people does just that.

Sixth, the protection offered families of deceased persons and, seventh, maintaining the purchasing power of the benefits which are paid out. I did not invent any of that, Mr. Speaker.

All one has to do is to become somewhat acquainted with the literature and some easy reading will do it. Get acquainted with the literature and you will change your perspective of what you ought to be doing both in this House and as a politician. If you knock on any door, and I can think of them in my own riding as I am sure you can, Mr. Speaker, and look inside and see how older Canadians are spending their days, you will know that not only should this bill be passed quickly but that the issues which I have listed ought not to be only the topics of another conference but that they should be brought forward to the House very quickly to be passed into law, pieces of legislation which would make us more proud than we ought to be today.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am pleased to have the opportunity to follow the Minister of National Health and Welfare (Miss Bégin) and the hon. member for Rosedale (Mr. Crombie) in the debate on Bill C-16.

I should like at the outset to congratulate the minister on her reappointment to this important portfolio, as indeed I should like to congratulate the hon. member for Rosedale on the good job he tried to do during the short time in which he was head of the Department of National Health and Welfare. We in our party sometimes like to give the impression that we are the only ones who have progressives or persons who are interested in the well-being of our fellow citizens, but there are a few in the other parties who have a proper perspective, and I am prepared to say today that I know of at least one in each of the other parties.

The Minister of National Health and Welfare has shown that she is a small "l" liberal and that she is interested in social policies. Likewise, when he was in the cabinet during the Thirty-first Parliament, the hon. member for Rosedale got the label of being one of the Red Tories, and that is said affectionately. We are all pleased that the hon. member's health has been restored and we wish him well as he continues to be a member of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Knowles: I associate myself also with the tone of certain remarks which both previous speakers made. Knowing, as they did, that this is the day after May 20, each of them pointed out that there are certain things we would not have in this country, certainly things that Canadians would not have from coast to coast, were it not for a strong federal government. Old age pensions, family allowances, medicare—just imagine what would be the plight of our people in relation to these programs if they had all been left to individual provinces. It took a national consensus brought to bear on national government to bring these things into being and they are examples of the fact that it is really worth while to have a national government, that it is really worth while to be Canadians.

I am also interested in the extent to which both the hon. members who have spoken ahead of me discussed the level of pensions as it relates to the poverty line. The Minister of National Health and Welfare said that the whole aim of this bill, which she treats as interim legislation, is to narrow the gap between the income of pensioners and the poverty line. The hon. member for Rosedale recognized that as its goal but expressed dissatisfaction with the fact that it does not go very far toward closing that gap. As a matter of fact, I think it is high time—and I go along with the hon. member for Rosedale in this—that we found some other way of deciding the level of pensions than by relating them to the consumer price index.

• (1750)

I say in all fairness to the hon. member for Rosedale that when he was minister of national health and welfare and I complained to him about the consumer price index not being a proper basis for the indexing of pensions, he agreed with me and said he would have the matter studied. In fact some studies did come out of that exchange, but I think we in this House ought to be hanging our heads in shame when it is being said here today that our pensioners for the most part are living below the poverty line.

The hon. member for Rosedale referred to times when it got down to 72 per cent or 68 per cent of the poverty line. The Minister of National Health and Welfare boasts that this legislation will bring certain of our pensioners up to 80 per cent of the poverty level and that, perhaps down the line a bit, they might even reach 85 per cent. The Minister of National Health and Welfare, in a mood of expansiveness, got to one point where she said that down the line somewhere married couples might even have 103 per cent of the poverty level. I would like to know how she arrived at that figure. It seemed to me that she was escalating the pension by the July 1 change which will take place, but she has overlooked the fact that the poverty line will probably have gone up in the meantime, so the likelihood of our getting the mass of our pensioners—50 per cent or 60 per cent of them—above the poverty line by this bill, or by anything that is before this session of Parliament, is very slim.

I should like to suggest very strongly that we should turn our backs on this idea of pensioners being below the poverty line and that we should build into our legislation a requirement that no pensioner shall have anything less than 125 per cent of the poverty level.

Some hon. Members: Hear, hear!

Mr. Knowles: What is wrong with that? It is not good enough just to keep people at the poverty level, just to keep our old people alive. It is not good enough to say we are bringing them up to 80 per cent, 85 per cent or even to 103 per cent. Surely that implies just keeping them alive as animals, as it were. These are human beings we are talking about. These are Canadians who have given their life's service to this country and who have built the country, and surely they are entitled not just to enough to keep them alive. Surely they are entitled to some measure of the enjoyment of life as they have made it possible.

I remind the House that we do use other indices in some cases. I put a question to the Minister of Veterans Affairs (Mr. MacDonald) today about the rate of the disability pension. Actually, I was complaining that a formula which was arrived at in 1973 has not been made permanent and automatic. Nevertheless, the concept in the war disability pension is that the level of that pension for a 100 per cent disabled pensioner must be related to the average take-home pay of five designated categories in the public service. That formula does not talk about the consumer price index. That formula talks about a level of pay. Our problem is that in two or three years after it gets set it has slipped behind, but at least we have been able to persuade the government to introduce legislation to bring it up to date.

If I may mention another subject concerning which my remarks are not always popular, the subject of the pay of members of Parliament, we get an increase every January. Is it based on the consumer price index? No, it is based on the composite wage index, and we get up to 7 per cent if the composite wage index goes up to that point. So there are other arrangements and other payments which are based on something other than the consumer price index, and I agree with the hon. member for Rosedale that the use of that index for increasing pensions has been a failure. I have contended at times that part of the reason is that it is always behind. When you go back to get a three months' period two months ago and compare it with three months before that, and then get that increase a couple of months from now, you are getting an increase that the pensioners should have had six or eight months ago.

Another factor, of course, is that the consumer price index covers all the things which are in that package and is not directly related to the things pensioners have to buy. But even apart from those things I think the principle of indexing by the consumer price index—as though that solves the problem—is wrong. Of course, fundamentally the reason it is wrong is because the base was too low in the first place. But when I propose that the level of pensions should bear a relationship to the poverty line as established by Statistics Canada, we are at least talking about something which has some realism about it.

My colleague sitting next to me asked me a moment ago where this poverty line comes from, and I said to him, "Well, the poverty line that the other two speakers are using is the one published by Statistics Canada". It is, of course, the lowest of most of the poverty lines which are published. Ask any body of social workers or any group of social agencies in any of our cities for a poverty line. It will be a lot higher than the line put out by Statistics Canada. Senator Croll's committee over in the other place has established a poverty line a number of times and has updated it. All those poverty lines, as I say, are higher than the poverty line established by Statistics Canada.

That is one of the reasons I would not dare stand here and say that pensioners should be given a level of pension equal to the poverty line. That is just bare existence. It should be at least 125 per cent of the poverty line as set by Statistics Canada.

May I also point out that when Statistics Canada produces the poverty line, it does it for different kinds of areas. It does it for those who live in the rural parts of the country. It does it for those who live in small communities, small cities and small towns, and it moves up into the 100,000 to 500,000 cities and to the cities 500,000 and over. And, of course, the poverty line varies a great deal depending upon whether a pensioner is living in a rural area, in a small town, a medium-sized city, or in one of the larger cities of this country. As the Minister of National Health and Welfare will confirm, even with the increase she is now bringing in, this $35 increase per household, and even after the indexing takes place in July, it will still be a fact that for our single pensioners they will all be below Statistics Canada's poverty line for people in any of our urban areas.

Single persons who live out on farms or in rural areas may get pretty close to the poverty line by July 1, but the single people in our cities will still be below it. As for married couples, even though the improvement will be there so that some of them will reach the poverty line in smaller cities, if they live in Ottawa, Winnipeg, Edmonton, Toronto or Montreal, they will still be below it.

Perhaps I can continue this next time, Mr. Speaker. I see that it is six o'clock.

[*Translation*]

Mr. Deputy Speaker: Order. It being 6 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 22, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SUMMER YOUTH EMPLOYMENT PROGRAM

REQUEST FOR ANNOUNCEMENT ON APPLICATIONS APPROVED—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise pursuant to the provisions of Standing Order 43. In view of the fact that the Minister of Employment and Immigration (Mr. Axworthy) has been extremely slow in announcing which projects will be approved under the Summer Youth Employment program, and in view of the fact that summer is rapidly approaching and those who have made application under the program are urgently awaiting word on the status of their applications, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the House immediately instruct the minister to make public today which Summer Youth Employment program applications will be approved by the minister, so that those who have not received approval will be able to make alternate plans for securing summer employment.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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MEMBERS' SERVICES

GEOGRAPHICAL INACCURACIES IN HOUSEHOLDER BULLETINS—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise, on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In view of the fact that all 74 Liberal MPs from the province of Quebec have recently sent householder bulletins to households in their ridings, all with uniform contents covering arguments in favour of a No vote in the May 20 referendum, and financed by the public treasury for both printing and distribution, and in view of the fact that the hon. member for Verchères (Mr. Loiselle), in his householder bulletin on the fourth page, carries a representation of a map of Canada showing Quebec separated from Canada and as part of the separated Quebec 110,000 square miles of Newfoundland being that part of the province of Newfoundland described as Labrador, with a similar map appearing in the bulletins of the other Liberal MPs who represent ridings in Quebec, and since such a map is completely false factually, and an affront to all residents of Newfoundland and Labrador, I move the following motion, seconded by the hon. member for St. John's East (Mr. McGrath). This is it here; Newfoundland is shoved 200 miles out into the Atlantic.

That the MP for Verchères and all other Liberal MPs for Quebec apologize to the people of Newfoundland and Labrador for the error committed by them in showing the Labrador part of the province of Newfoundland as a part of the province of Quebec, and that this House affirm the territorial integrity and boundaries of the province of Newfoundland as set down in the Opinion of the Judicial Committee of the Privy Council expressed on March 1, 1927, and as set out in the Terms of Union between Newfoundland and Canada of 1949.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

VETERANS' STATUS FOR MACKENZIE-PAPINEAU BATTALION—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43 and move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That members of the Mackenzie-Papineau Battalion and other Canadians who fought heroically with Spanish Republican forces in the Spanish Civil War between 1936 and 1939 to preserve the legitimate government of that country be given the status of veterans under federal legislation and be made eligible for veterans' pensions and other benefits.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ENERGY

CANADIAN CONTENT OF INDUSTRY—HIRING OF FOREIGN COMPANIES—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Madam Speaker, under the provisions of Standing Order 43 I would like to move a motion.

In view of the fact that Petro-Canada, a Crown corporation created primarily to increase Canadian content in the oil and gas industry, has in recent months hired a Bermuda-based company to design a new corporate logo, hired a New York-based real estate company to seek out new offices, and now has entered into a joint venture with a Liechtenstein-headquartered German company to construct a new building which will be designed by American architects, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House ask the Minister of Energy, Mines and Resources to make a statement on motions explaining just how directing all this business to German, Bermudian and American firms is helping Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

VOLCANIC ASH FALL-OUT FROM ERUPTION OF MOUNT ST. HELENS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

The recent eruption of Mount St. Helens in the state of Washington has caused severe human tragedy as well as extensive property damage. The volcanic ash fall-out from the eruption is extensive, affecting large areas of the United States of America and Canada, with as yet undetermined short and long-term effects. I therefore move, seconded by the hon. member for Crowfoot (Mr. Malone):

That this House direct the Minister of State for Science and Technology and Minister of the Environment to undertake immediately an environmental assessment of the volcanic ash fall-out on human health, as well as the possible effects on wildlife, turbidity and acidity effects on lakes, stream and soils in affected areas of western Canada; and, furthermore, that the government report to this House on this matter without delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

INDIAN AFFAIRS

GRANTS FOR WATER AND SEWER SYSTEMS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the government bureaucracy, after an application from an Indian band council has been received, extends the granting of the said moneys for several months; and whereas in the case of water and sewer installation the money thus becomes available in late fall, making it very costly and wasteful to instal them during the winter months; and whereas the Indian band councils desire to make the best use of every dollar and want the money to be made available in the spring or early summer for public works such as installation of water and sewer systems, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the government review and amend the processing of applications with a view to making the money for public works affected by cold weather available in the spring or early summer of the year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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COMMITTEES OF THE HOUSE

REQUEST STANDING COMMITTEE ON FISHERIES AND FORESTRY BE CONVENED—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, in accordance with the provisions of Standing Order 43, to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the Thirty-second Parliament has been sitting for almost six weeks, and that most standing committees have by now been meeting for several weeks, and whereas the Standing Committee on Fisheries and Forestry has not yet even been organized, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That the government be directed to convene the Standing Committee on Fisheries and Forestry immediately so that matters pertaining to the main estimates and other pertinent questions relating to fisheries, forestry and the environment might be pursued in detail with the appropriate government ministers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

FOREST FIRES

ASSISTANCE TO PROVINCES IN COMBATING—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise, on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In view of the extensive forest fires in western Canada—there are over 1,000 forest fires in northern Alberta and northern Saskatchewan, burning over 1,200,000 acres this year—I move:

That the federal government make available all the resources at its disposal to the provincial governments to assist in fighting these forest fires.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

CALL FOR CORRECTION OF DISCRIMINATION IN CERTAIN AREAS—MOTION UNDER S.O. 43

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, I rise, on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

Given the fact that the Liberal government in March, 1978, brought in the Canadian Human Rights Act and established the Human Rights Commission, given that we all should fully endorse the principle of equal pay for work of equal value, and in view of the fact that recently the Human Rights Commission investigators have found that about 3,000 low-paid public servants—most of whom are women—employed as food service workers, laundry workers and miscellaneous services such as gatekeepers, are not receiving equal pay for work of equal value, even though their work is classified as equal in value by the government, I therefore move, seconded by the hon. member for Don Valley East (Mr. Smith):

That this government move immediately to correct the discrimination in wages found by the Human Rights Commission with respect to these 3,000 low-paid service workers, and to uphold the principle of equal pay for work of equal value.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ENVIRONMENTAL RESEARCH

FUNDING OF ARCTIC BIOLOGICAL STATION—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Arctic biological station at St. Anne de Bellevue is the major federal government agency for environmental research and resource development in Canada's north, and in view of the fact that the government has slashed the station's 1980 funding for the current year to less than 10 per cent of the 1975-76 level, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House condemn the government for its neglect of environmental research in the Arctic, and that the government immediately provide the Arctic biological station with the funds it requires for its urgent work.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA DAY

INTRODUCTION OF LEGISLATION TO DESIGNATE JULY 1—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members on a matter of urgent and pressing necessity under the terms of Standing Order 43.

As May 20, 1980, was a symbolic and historic day for the destiny of our nation, in that Canadians reaffirmed their preference for a united Canada, I move, seconded by the hon. member for Argenteuil (Mr. Gourd):

● (1415)

That this House requests the government to introduce legislation as soon as possible to designate the statutory holiday, July 1, as Canada Day.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Grand idea.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Who said "No"?

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

SELF-SUFFICIENCY—GOVERNMENT POLICY

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Prime Minister. The Minister of Energy, Mines and Resources, while in opposition, during the election campaign and several times since has repeatedly stated that the previous government was deluding itself and/or was foolish in setting a policy goal of energy self-sufficiency by 1990. However, yesterday, while in Paris attending International Energy Agency meetings, the Minister of Energy was quoted as saying the following:

—we expect to become self-sufficient during this decade.

Does this mean the government has now formally adopted this "foolish" policy of the previous Progressive Conservative government, or was the minister deluding other members of the IEA?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member fails to distinguish between energy self-sufficiency and self-sufficiency in petroleum.

Some hon. Members: Oh, oh!

Mr. Trudeau: I see that hon. members in the back benches do not even seem to understand that distinction.

Mr. Collenette: That is why they are in the back benches.

An hon. Member: We understand.

Mr. Trudeau: But listening to the quotation from the hon. member who asked the question, he is talking about energy self-sufficiency.

Mr. Crosbie: We have that now.

Mr. Trudeau: Those are the words he read to me. So certainly that is not revolutionary, as even the member from Newfoundland understands.

Mr. Crosbie: I understand.

Mr. Andre: Madam Speaker, I have a supplementary question. Perhaps I should read out more of this quotation in which UPC Paris indicates:

Canada, Lalonde said, is now dependent on oil imports for only 25 per cent of its needs.

"But we expect to become self-sufficient during this decade—"

Mr. Crosbie: Answer that one.

Mr. Andre: My question is: Is it now government policy to become self-sufficient in oil before 1990, as was the policy of the previous government which was ridiculed by this present minister when he was in opposition?

Mr. Crosbie: Answer that one if you can.

Mr. Trudeau: Madam Speaker, the hon. member shows the difficulty of quoting parts of speeches from press releases. His two questions differ as to whether he is talking about energy self-sufficiency or self-sufficiency in petroleum.

I point out to the hon. member that in the last election we were telling the Canadian people that, under our government, in the last few years Canadian dependency on imported oil had been reduced from 50 per cent to 30 per cent and that our policy was to—

Mr. Crosbie: Nonsense.

Mr. Wilson: When?

Mr. Trudeau: When? During the last election we pointed that out.

Mr. Crosbie: That is right, you were saying nothing then.

Mr. Trudeau: We pointed out that at the beginning of the decade we had imported 50 per cent of our oil, and that at the time of the last election—

An hon. Member: Those were exports.

Mr. Trudeau: —we were only importing 30 per cent of our required petroleum.

Mr. Crosbie: How many barrels a day?

Mr. Trudeau: What we were saying during the election was that obviously our policy had reduced dependency on imported oil. We were continuing in that direction and that is why we were seeking re-election. The point being made was that with the kind of policy being promoted by the opposite side, we would never reach that stage by 1990 or by the year 2000.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Andre: Madam Speaker, I take that to mean the government has indeed flip-flopped on its policy.

Mr. Baker (Nepean-Carleton): That is right.

Mr. Andre: As a member of the International Energy Agency, Canada has agreed to certain goals in terms of reduction of imports of crude oil and also growth in domestic consumption. While in opposition, the current Prime Minister ridiculed the right hon. member for Yellowhead in terms of his agreeing to these conditions at the June Summit which were confirmed at the December IEA meetings.

● (1420)

Is the Minister of Energy, Mines and Resources, while in Paris, seeking to relieve Canada of these obligations under the IEA, or is he explaining to our fellow members of this agency just how this new self-sufficiency policy will enable us to fulfil these obligations which were ridiculed a few months ago?

Mr. Trudeau: Madam Speaker, once again, the minister is in Paris saying things reported by the press that I have not checked. He is constantly available in the House. He has answered every question put to him. I am sure he will be happy to deal with this one.

I point out to the hon. member that what we were ridiculing in the last election campaign, essentially, was a policy that said Canadians had to pay international prices for petroleum produced in Canada.

An hon. Member: We never said that.

Mr. Trudeau: That was not our position.

An hon. Member: That was not ours, either.

Mr. Trudeau: Madam Speaker, I accept the correction: it was that Canadians would be tied to an international price to the degree of having to pay 85 per cent of that international price by 1983, or January, 1984.

An hon. Member: Wrong again.

Some hon. Members: Oh, oh!

An hon. Member: You still don't know what you are talking about.

Mr. Trudeau: Madam Speaker, I hear the hon. member from Edmonton saying I do not know what I am talking about, and I heard an hon. member from Newfoundland say that he agreed with what I said.

Some hon. Members: Oh, oh!

Mr. Trudeau: So at least I am on the side of one of the hon. members opposite, and that makes it two against one. That is about the end of what I want to say on that.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

OIL IMPORTS FROM MEXICO

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Secretary of State for External Affairs. It concerns the statement he made in the House on Tuesday when he said that the interim energy agreement with Mexico did not contain any specific references to oil imports planned under the interim agreement. I trust that since that time he has had a chance to look at the interim agreement and to find out that it indeed did contain the specific reference of a commitment of up to 100,000 barrels a day from Mexico to Canada.

Given that agreement on energy co-operation, and given also that the agreement now on industrial co-operation with Mexico will not be signed during President Lopez Portillo's visit to Canada next week, I should like to ask the minister what assurance we have, other than the minister's optimism, that the 100,000 barrels of oil a day commitment will be honoured.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have not checked the record of Tuesday, but I believe what I said was that there is no exact schedule for deliveries by Mexico to Canada contained in the agreement. I believe that to be the exact statement.

In respect of the general problem that the hon. member raised, all I can say is that Canada and Mexico are negotiating today and I hope to be in a position to have further information on that subject in the near future.

Miss MacDonald: Madam Speaker, since this seems to be a day for hon. members to correct what they have said previously, I would ask the minister to go back and take a very clear look at what he said, because not only did he say that the interim agreement did not contain any specific references to oil imports, he also said that such explicit references to levels of oil imports would not be written into any renegotiated agreement. Those are his words.

I should like to ask him, given that indication that this government has abandoned the efforts of the two previous governments to obtain specific imports of oil from Mexico, why have such commitments been abandoned? As the minister knows, France has recently attained a specific agreement with Mexico for the importation of oil, and Japan has recently attained a specific agreement with Mexico for the importation of oil. What is wrong with the Canadian government that it cannot attain a specific agreement with Mexico? Has it abandoned all efforts to get oil from Mexico into this country?

• (1425)

Mr. MacGuigan: Madam Speaker, there has been no change whatsoever in the policy of the Canadian government in this respect. The change that has occurred has been in the policy of the Mexican government. If the hon. member will read the news reports accurately, she will read that Japan and France have been having exactly the same problems as Canada.

Miss MacDonald: Madam Speaker, is the minister now saying that the government has failed in trying to achieve the rate of 100,000 barrels of oil which the government of Mexico had previously committed to supplying to Canada? The agreement had been initialed and it had been agreed to as late as February; but now the deal is off.

Is the minister now indicating that his government cannot carry out a commitment which was previously honoured, and that it cannot get the Mexican government to agree to that commitment now?

Mr. MacGuigan: Madam Speaker, I am not in a position to speak for the government of Mexico, but I can say that there is no change in the position of the Government of Canada.

Miss MacDonald: Speak for your own government.

Oral Questions

FINANCE

CANADA-U.S. TAX TREATY—EFFECT ON CANADIAN REVENUES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Finance, I direct my question to the Minister of State (Finance). The proposed tax treaty, some of the terms of which were released to the press today, between Canada and the United States reduces the Canadian withholding tax on dividends and interest payments going to the United States from 15 per cent to 10 per cent.

Can the Minister of State for Finance tell the House what effect this will have on Canada's deficit in terms of lost revenues? Would he not agree that reducing the withholding tax can only have the effect of encouraging further American investment in Canada?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the agreement to which the hon. member referred was negotiated at length. It will indeed be quite beneficial not only to all Canadians but also to the other party to the agreement, namely the American people. As for specific figures, they are rather difficult to establish. However, I will check with the officials of the department and if I can provide the hon. member with specific figures I will be pleased to do so.

Mr. Rae: I thank the minister for his reply and I have a supplementary question for the Prime Minister.

[*English*]

I wonder if the Prime Minister would tell us whether or not he is in agreement with the statements made by the Minister of Finance in one of his rare public appearances, who said as reported in the *Toronto Star* of Friday, May 16, that he was not in favour of any large-scale repatriation of the Canadian economy and—

> I have never been as uptight as others have been about foreign investment.

Is that the policy of the Liberal government at this time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the last part of the quotation, if it is a quotation, about being uptight is the expression of a personal opinion and a disposition of mind and body of the hon. minister.

As far as the first part of the statement, about wholesale repatriation of Canadian assets—the hon. member is shaking his head. What was the phrase, again, in the first part of the statement?

Mr. Rae: I will be glad to send over to the Prime Minister the *Toronto Star*. It reads:

> Nor does he favour any plan for the federal government to buy large parts of the economy held by foreigners, he said.
>
> That would be a major decision to take.

Mr. Trudeau: Madam Speaker, I distinctly heard the hon. member quote something about repatriation of assets in his first question. Now he is shaking his head as if he did not say that.

Mr. Nielsen: I heard him, too.

Mr. Trudeau: Hon. members opposite heard the hon. member as well.

Some hon. Members: Hear, hear!

Mr. Andre: He is shaking his head to get the neurons moving.

Mr. Trudeau: I would ask the hon. member if it is the policy of his party to change its questions in mid-stream.

Mr. Rae: Madam Speaker, I appreciate the frankness of the Prime Minister in answering the question. He shows the same forthcoming as his colleague, the Minister of Finance. How does the Prime Minister square the lowering of the withholding tax from 15 per cent to 10 per cent with the fact that the Bank of Canada has been maintaining a higher differential in interest rates, and the recent statement by the Minister of Finance that he is not uptight concerning foreign investment?

● (1430)

How does he square that with the speech which he gave when he was leader of the opposition—in Toronto, five days before the election—saying that the repatriation of the Canadian economy was a major preoccupation of his and would be a major preoccupation of his government, and with the statement that foreign investment was now going to be controlled in a future Liberal government? How does he square those two things?

Mr. Trudeau: Madam Speaker, now the word "repatriation" reappears in the hon. member's question.

An hon. Member: Let's not play with words.

Mr. Trudeau: I want to point out to the hon. members of the New Democratic Party that that is a matter of a very important distinction. I believe that neither the minister nor I have ever talked of, and certainly it is not government policy, repatriating foreign assets into Canada in a wholesale business.

Our policy has been, when possible, to repatriate some assets, but as much as possible to try to buy into the future rather than trying to buy back the past. That has been the policy of this government.

Some hon. Members: Hear, hear!

* * *

ENERGY

OIL IMPORT—IMPORT COMPENSATION PROGRAM—GOVERNMENT POLICY

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should like to address my question to the Prime Minister. In

response to my colleague, the hon. member for Calgary Centre, the Prime Minister indicated that he had no idea what the Minister of Energy, Mines and Resources was saying in Paris.

I wonder if the Prime Minister can confirm that there was discussion in cabinet and instructions were given to the minister with respect to the targets to be set by Canada for IEA purposes in Paris. I would refer the Prime Minister to a press release put out by the minister, dated May 20, in which it is indicated that for IEA members who participated in the Tokyo Summit in June, 1979, those goals were the ones originally set at Tokyo, and that the goals in Tokyo were confirmed in December, 1979.

Is it the position of the government, and their direction to the minister, to confirm the objectives with respect to reduction of imports as set forth in Tokyo and confirmed by the IEA in December? Is that the position of this government, or are there new targets that the minister has been directed to take to Paris?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I honestly cannot answer that question. I will take notice of it. Perhaps the parliamentary secretary would know. I cannot recall the exact terms of the cabinet decision authorizing the minister to take a position in Paris.

Mr. Hnatyshyn: A supplementary question, Madam Speaker. I am astounded that the Prime Minister would not have this information. He made such a big issue of it during the last election campaign that I would have thought those figures would be in his mind constantly.

Here is a simple question with respect to statements made in the House yesterday by the Minister of Finance, in which he indicated that whether the oil import compensation program was going to be terminated depends upon the negotiations on pricing and the blended price formula. I ask the Prime Minister whether it is the policy of this government to terminate the oil import compensation program, and I would ask him to clarify the situation because conflicting statements are being made by ministers of the Crown.

Mr. Trudeau: Yes, Madam Speaker, it is part of our policy to phase out the oil import compensation over a period of time.

SELF-SUFFICIENCY—ENERGY PRICING

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is to the Prime Minister. Since income that would have been available through Conservative party energy pricing policies in Canada is not now available to the federal government, and because increased federal income through energy pricing contemplated now might be completely lost to subsidization payments for expensive imported oil, can the Prime Minister please tell the House how, or if, the government will provide, for the sake of self-sufficiency, the $100 billion funding necessary to develop non-conventional and alternate energy resources in Canada?

Right Hon. P. E. Trudeau (Prime Minister): I will be happy to take notice of the question, Madam Speaker.

REPLACEMENT FUEL FOR GASOLINE

Mr. G. M. Gurbin (Bruce-Grey): A supplementary question, Madam Speaker, to the Minister of State (Mines), in the absence of the Minister of Energy, Mines and Resources.

An hon. Member: She is not here.

Mr. Gurbin: I shall then put the question to the Minister of Transport, who is acting for the Minister of Energy, Mines and Resources.

With import prices rising, and dependence on imports probably not decreasing significantly, and since the government seems to have given up on oil self-sufficiency by not providing adequate funding, are there any specific plans to develop gasoline replacement fuel that could assist particularly Ontario and the other non-oil producing provinces in their energy needs?

Hon. Jean-Luc Pepin (Minister of Transport): I am sure, Madam Speaker, that there are a number of research projects looking into alternative sources of energy. I will make sure that my hon. friend is given a full list of the research projects presently in the Department of Energy, Mines and Resources.

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EXTERNAL AFFAIRS

PEACEKEEPING IN CYPRUS—GOVERNMENT INTENTIONS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I should like to put a question to the Secretary of State for External Affairs. Can he tell the House whether Canada intends to renew its peacekeeping contributions in Cyprus—a renewal that I think will have to be made in a few weeks' time—or if we are perhaps looking at the policy of the previous minister, of re-examining our peacekeeping role in Cyprus?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, no final decision has been made yet, but I may say that I do not anticipate any substantial change in our present commitment.

Miss Jewett: I wonder if the minister would be good enough to give me a little more information. Will it be the same commitment? Will it cover the same contribution of troops, and will it last for the same length of time?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I must reply to the hon. member of the NDP that we do not intend to alter the force sent to Cyprus nor the procedure followed as long as we continue to play our peacekeeping role. We intend to keep our commitment as long as

Greece and Turkey ask us to remain there to avoid a possible conflict.

[*English*]

CHARITABLE DONATIONS—CANADA-U.S. RECIPROCITY AGREEMENT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Secretary of State for External Affairs. I think he is aware that the reciprocity treaty between Canada and the United States regarding donations given to charitable institutions is being challenged by some of the IRS offices in the United States.

Is he aware that there is a problem and, if so, could I ask what he is doing in negotiating with his American counterpart to make sure that charitable institutions in both countries do not suffer because of misapplication of the terms of the treaty?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am not in a position to answer that question at the present time, but I undertake to inform the hon. member.

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CONSUMER AND CORPORATE AFFAIRS

REQUESTED INVESTIGATION OF FOREIGN TAKEOVERS IN DAIRY INDUSTRY

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs, but in his absence I will address it to his parliamentary secretary.

For the past few years, processors of dairy products in Canada have been systematically taken over by a small group of multinational corporations, concentrating control of wholesaling and retailing of dairy products in Canada in the hands of a group of mostly foreign-owned corporations.

Since this practice has already placed the interests of Canadian consumers and processors of dairy products in jeopardy, would the minister assure this House that his department will undertake an investigation of takeovers of processors of dairy products in Canada, and ensure that the interests of Canadian consumers are being well served?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I will be pleased to draw this to the attention of the director. As the House knows, it is not customary to say when an investigation is proceeding, and I cannot say whether one is proceeding at the present time. I will certainly make sure, however, that the hon. member's concern is conveyed to the director.

EXTERNAL AFFAIRS

INTERNATIONAL WHALING CONVENTION—REPORTED CONTRAVENTION BY U.S.S.R.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is addressed to the Secretary of State for External Affairs. Can he tell us what action his department is taking with respect to the reported taking of killer whales and other endangered species, in contravention of the International Whaling Convention, by the Soviet Union?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we are certainly very disturbed by this situation and we are making representations with respect to it. If the hon. member desires further information, I will be glad to attempt to provide it.

Mr. Munro (Esquimalt-Saanich): I should like some additional information, Madam Speaker. I should like to know the nature of the objections, and what plans the government may have to prevent a recurrence in the next season of the taking by one of the signatories of the International Whaling Convention of endangered species.

Mr. MacGuigan: Madam Speaker, this matter is under review. We are certainly making representations in the appropriate places and we will continue to do so.

* * *

● (1440)

FOREST FIRES

ASSISTANCE OF NATIONAL DEFENCE FORCES IN COMBATING

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of National Defence. At present, there are over 230 forest fires still burning in the three prairie provinces, as well as many more in northwestern Ontario and British Columbia, as a result of prolonged hot, dry weather. Thousands of lives are endangered by these fires; indeed, at least two communities have already been evacuated.

Will the minister put at the disposal of civilian fire-fighting authorities all available armed forces equipment and personnel in order to help ease this very serious situation?

Hon. J. Gilles Lamontagne (Minister of National Defence): I can assure the hon. member, through you, Madam Speaker, that the armed forces are at the service of the civilian population wherever they are. At the request of the Saskatchewan government, we have provided a squadron of aircraft to check on these fires and to help transport people who are fighting them. We already have two helicopters in northern Ontario, two in Saskatchewan, and two Hercules aircraft helping people wherever help is needed. The hon. member can be assured that the armed forces are at the service of the Canadian people all the time, wherever they are needed.

Mr. Sargeant: Madam Speaker, I thank the minister for that answer. I did not realize I was setting him up for such a good answer.

Some hon. Members: Oh, oh!

Mr. Sargeant: My supplementary is also directed to the Minister of National Defence. At least one of these fires, affecting over 12,000 acres, was caused by artillery exercises at Canadian forces base, Shilo, Manitoba. Will the minister order the suspension of all such military exercises at all Canadian forces bases in areas of extreme forest fire danger?

[*Translation*]

Mr. Lamontagne: Madam Speaker, in some areas which are kindling dry, we have ordered a stop to certain military operations. In others, we have taken additional precautions to make sure there is no danger of forest fires.

* * *

[*English*]

LABOUR DISPUTES

NATIONAL HARBOURS BOARD POLICE, SAINT JOHN—REQUEST MINISTER INTERVENE TO SETTLE STRIKE

Mr. Mike Landers (Saint John): Madam Speaker, my question is for the Minister of Labour. In view of the fact that the National Harbours Board Police Association in Saint John, New Brunswick, has been on strike for a period of six weeks, and in view of the fact that the only outstanding issue is a small wage percentage increase, would the minister intervene in this matter to ensure an expeditious settlement?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, in relation to the National Harbours Board Police Association strike at Saint John, prior to the strike commencing on April 25 our department provided full conciliation and mediation services. Since the strike has been under way, the department has been monitoring the situation and watching for an opportunity when the parties would be prepared to consider a possible settlement. I will undertake to get further details for the hon. member as to any developments in the past day or so, and I will report back to him.

* * *

REGIONAL ECONOMIC EXPANSION

ALLOCATION OF DREE GRANTS

Mr. Girve Fretz (Erie): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. Would the minister confirm that Sterlake Enterprises, of Hamilton, Ontario, has been awarded a $1.2 million DREE grant for locating a plant in the Winnipeg area, and whether the government gave the Niagara region the same financial consideration for the establishment of a plant as that received by Winnipeg?

Expansion): Madam Speaker, may I take that question as notice? Within a day I will give a full answer to the hon. gentleman.

Mr. Fretz: Madam Speaker, would the minister further confirm that the taxpayers, through the Department of Industry, Trade and Commerce, gave an additional $3 million in loan guarantees to Sterlake; and what alternate plan does the federal government have to address the serious unemployment situation in the Niagara region?

Mr. De Bané: I will certainly make a full report to the hon. gentleman.

[*Translation*]

INQUIRY WHETHER PROJECT RELATED TO SALT MINE IN ÎLES-DE-LA-MADELEINE ELIGIBLE FOR GRANTS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. I waited some time before putting it, as I knew the minister was quite busy. I should like to ask the minister, with regard to the Îles-de-la-Madeleine salt mines project, whether that project is eligible for grants from his department and, if so, whether he intends to announce those grants soon.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, some two or three weeks ago when that topic became an argument in the referendum campaign of the PQ government in Quebec, I stated that I would not allow myself to be influenced by demagogic arguments and the indecent fashion in which the Quebec government tried to use the project during its campaign. But at that time I did say to the people of the islands that right after the campaign I would go to the islands myself and explain to them the reasons that will underlie and justify the decision the government will take in the matter. But even at that time I wanted to assure them that the decision I will announce will be to their advantage. In passing, I point out that the Quebec government has already announced to the people that the project will go ahead regardless of the decision we make. The people of the islands therefore take the project for granted, and I shall advise them of the reasons within ten days at the most.

Mr. La Salle: The minister did not quite answer my question. I asked him if he could tell the House whether this project is eligible for grants under the criteria established by the Department of Regional Economic Expansion and, if not, what reason could he put forward to refuse.

Mr. De Bané: Madam Speaker, in effect, the hon. member is asking me to announce the decision today. I want to give him the strongest assurance that my decision will be based on indisputable ground. However, I do not wish to announce the decision today because I would like to reserve the news for the people of the islands. The hon. member knows full well that if I say this project is eligible then the conclusion would be easy

to draw; if, on the other hand, I were to say it is not eligible, I would have to explain why. So I reserve this for the people of the islands, and you can rest assured that my decision will be supported in such a way that all people of good faith will concur in it and approve it.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—COMMITMENTS MADE BY INCO

Hon. Bud Cullen (Sarnia): Madam Speaker, I have a question for the Minister of the Environment. Given the fact that an announcement was made in both the Ontario legislature and in the House of Commons which would have required Inco to take particular action with respect to its contribution to acid rain, and with regard to the rumblings we are now hearing from Inco that it may not be in a position to meet those commitments, is the minister in a position to tell us whether the government of Ontario will insist that those conditions be met?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I have no reason to believe that any change will take place in the control order which has been issued. Indeed, I would publicly urge against any such change if it were to be suggested.

* * *

RAILWAYS

DISPOSAL OF ABANDONED RIGHTS-OF-WAY LAND—GOVERNMENT POSITION

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Transport. The minister is meeting with his western counterparts on June 3 in Victoria, I believe. Can the minister tell the House whether the question of the disposal of the abandoned rights-of-way will be on the agenda? If not, could the minister indicate whether, in fact, he has reached a conclusive decision as to the policy with respect to the disposal of these lands?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I could not say whether this is a specific item on the agenda. I suspect it will be however. On the substance of the question, I would expect to follow the policy outlined by my immediate predecessor.

Mr. Mazankowski: Madam Speaker, could the minister undertake to assure the House that he will implement that policy? I am glad that he will follow the policy of the previous administration, but would the minister undertake to ensure that that policy will be implemented as quickly as possible, inasmuch as this matter has been outstanding for quite some time?

Mr. Pepin: I will do my very best to do that, Madam Speaker. For those who are not familiar with the policy, it consists of leaving the responsibility to the provinces for disposing of the rights-of-way left by the abandonment of rail lines.

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FOREST FIRES

GOVERNMENT INVOLVEMENT IN COMBATING

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the minister in charge of forestry. In light of the several motions moved under the provisions of Standing Order 43, one by my colleague from Peace River, and several others in respect of the very serious situation of forest fires throughout the country—one which complicates even further the difficulty the industry is facing right now—has the minister considered the advisability of meeting with several of his colleagues—for instance, the Minister of Indian Affairs and Northern Development, the Minister of Employment and Immigration, and the Minister of National Defence—to see whether it would be possible to work out some kind of strategy on the part of the federal government whereby the provinces, the industry and the environment could be protected?

• (1450)

Furthermore, has he considered the advisability of calling into action the interdepartmental committee which was set up as a result of the meeting in January with the minister responsible for forestry to seek its advice as to how the federal government could become involved in this serious situation?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I welcome what I take to be very constructive suggestions on the part of the hon. member. There has been continuing consultation between my department, the Department of National Defence and the Department of Indian Affairs and Northern Development. As the hon. member knows, the Department of National Defence does, in certain circumstances, provide assistance. In view of the very serious situation which has developed, I will take into consideration the other suggestions the hon. member has made, and get in touch with him.

Mr. Oberle: Madam Speaker, I had intended to direct my supplementary to the Minister of Indian Affairs and Northern Development, but perhaps the minister for forestry might be able to answer it.

A report has been tabled—the Forest Fire Review report—which is a study of the serious effects of last year's fire season in the territories. Has the minister met with the Minister of Indian Affairs and Northern Development to see whether the recommendations in the report could be implemented with dispatch, in light of the fact that the extent of the fires this

year seems to exceed the rather dramatic events which occurred in the territories last year?

Mr. Roberts: There have been some discussions among myself and representatives of the minister and, I believe, between our two departments; but there has not yet been on my part any specific discussion of the recommendations of last year's committee. There may have been on the part of the officials concerned. I will investigate that aspect as well.

* * *

NORTHERN AFFAIRS

OIL EXPLORATION IN BEAUFORT SEA—DANGER OF SPILLS

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In response to questioning on Tuesday, the minister stated that the report of the Arctic Waters Advisory Committee on drilling in the Beaufort Sea was thoroughly reviewed by himself and his department. This report stated that the government "is not and will not be prepared to make important decisions which will be required in the future if drilling activities continue."

Rather than give what I would call blind assurances that there are no risks involved in this drilling activity, will the minister explain what plans he has to improve the government's capability to respond to the environmental risks associated with increased drilling activity in these Arctic waters?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, I would advise the hon. member that his leader asked questions on this subject earlier in the week or in the latter part of last week. There is a contingency plan with respect to drilling activities. If there should be any mishap at all—and, as I say, the possibility is very minimal indeed, according to all the expert advice I have received—we have a contingency plan. I am prepared to talk about that contingency plan in the standing committee this evening. We shall no doubt go into that matter.

Mr. Ittinuar: Also on Tuesday last, the minister referred to advances in technology in connection with drilling in the north. May I say that these have to do only with drilling in the north, not with environmental preservation and protection. He further referred to safeguards with respect to relief well-drilling this season, no doubt in regard to the September 25 deadline for the termination of all drilling activities.

Will he assure the House that in no circumstances will any drilling or production testing be allowed after this date, as happened last year, regardless of pressure from Dome or any other company active in the Beaufort Sea?

Mr. Munro (Hamilton East): I can assure the hon. member that neither I nor the government will, under any circumstances, make a decision based on pressure from Dome or anybody else. The fact is that there is a 20-day grace period after September 20 which could be used for continued drilling, if all the advice we have with respect to weather conditions and all other risks which might be involved is positive in the sense that there is very little, if any, risk at all in continued drilling during that grace period. It will be judged solely on the basis of that expert advice. If the advice indicates drilling is not warranted, we shall adhere to the deadline.

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ENERGY

OIL IMPORT COMPENSATION PROGRAM—GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): My question, Madam Speaker, is addressed to the Prime Minister, who earlier in the question period agreed with the Minister of Finance that the policy of the government is to phase out or do away with the oil import compensation program.

Will the Prime Minister explain what the time-frame is for that operation, because the last figure we have is $3.1 billion, a cost which is going to increase now because of recent increases in the price of oil? Is it to be phased out this year? Where will the amount in excess of the $3.1 billion come from? Where does he propose to get it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in answer to a previous question, I indicated that it would be done over a period of time. Therefore, the answer to the part of the question related to this year is "No". But the hon. member must understand the policy put forward by the government. It is a policy of blended prices and, naturally, we would have to continue to pay the international price for imported oil. But we will pay less for the oil.

Miss MacDonald: When?

Mr. Trudeau: Even the hon. member from Kingston will understand that they are not going to accept lower prices for our imported oil.

Some hon. Members: Oh, oh!

Mr. Trudeau: Also, if she had been more attentive to the policy which was stated by the minister and various members of this government, she would understand that the blended price means we are going to pay the international price for the imported oil and that we will pay less than the international price for Canadian oil. The result will be a blended price.

Mr. Crosbie: We all realize that this is a blended government, or a blanded government, but even a blended government cannot perform miracles. The Prime Minister said, on CBC radio on February 10:

> We obviously would have to subsidize the price of imported oil. We would continue to do this as we did in the seventies.

This was a pledge to the Canadian people, before the election of February 18, that he would continue to subsidize the price of imported oil. Today he tells us he is not going to

continue to subsidize the price of imported oil. You are not Mandrake the Magician. You cannot fool the Canadian people indefinitely with blended prices on blended prices and blanded prices. How long will this commitment last? The Prime Minister implied that all during the eighties he would subsidize the price of imported oil as he did in the seventies. Is he now doing away with that commitment, as he has done away with so many others?

Mr. Trudeau: Madam Speaker, the element of cross-subsidization which we began in 1974 will, indeed, disappear as soon as the blended price is in. We will pay to foreigners the international price, and the price in Canada will be a lesser price.

Mr. Crosbie: Where will the money come from?

Mr. Trudeau: What Canadians will pay will be a composite of those two prices.

Mr. Crosbie: Madam Speaker, a supplementary on behalf of simple, uncomplicated Canadians like myself who cannot understand this new algebra or new mathematics. There are $3.1 billion which the government admits it is going to cost for oil import subsidies this year. How is the Prime Minister going to replace all, or part, of that? Who is going to pay to make that up? The taxpayers will subsidize it, the $3.1 billion, under the present program, but that is going to change with the blended program.

Who, then, is going to pick up the money that is saved under $3.1 billion? It is the Canadian people, is it not, and therefore the government will not have to subsidize because they are going to collect it from the Canadian people—from taxes on heating oil and taxes on all oil products, another sleight-of-hand, gerrymandering that is planned?

Mr. Trudeau: I understand the hon. member is making a suggestion. I will have the minister look into it.

* * *

● (1500)

NATIONAL DEFENCE

BUDGET FOR 1980-81

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. When the minister was in Brussels recently, he was quoted as saying that the National Defence budget for next year, 1980-81, has not been set and that the NATO 3 per cent goal will only be reached if the 1979 appropriations are carried over.

Will the minister tell the House whether the National Defence main estimates tabled by his government on April 22, in the amount of slightly over $5 billion, are in fact his budget, or not?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I must inform the hon. member for Victoria that over the last five years the average increase in the defence budget has been about 3 per cent and that we plan on having the same figure for 1980-81. The present budget or, if you prefer, the current estimates indicate a similar rate, namely, an increase of 3 per cent in real value.

[*English*]

Mr. McKinnon: Madam Speaker, I must say that the minister's parliamentary secretary is much more forthcoming and straightforward in her answers to questions.

Could the minister tell the House if he was briefed, either before he went to Brussels or while at that meeting, on the cost overrun of the Airborne Early Warning system, whose costs seem now to have got out of hand?

Can the minister tell the House what action he took, as the minister representing the Canadian government, to enforce appropriate cost controls for that program so that Canada is not liable to pay a fixed percentage of unlimited costs for the new AEW system?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I am not aware of any program or measure taken by the Department of National Defence which is not controlled at budget level. At times it can happen that these costs will increase due to inflation or certain circumstances beyond our control, but the budget as a whole is very well controlled. When certain expenses increase in an uncontrollable manner it is because we do not have any control over inflation or it is due to some other factors.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I wonder if I might ask the government House leader if he could inform the House of his plans for tomorrow and into next week. I understand he is prepared to designate next Friday as an allotted day for the opposition. Could he confirm that for me, please?

Mr. Pinard: Madam Speaker, I want to confirm that next Friday will be an allotted day. The business for tomorrow will be the Federal Business Development Bank Act and the Bretton Woods Agreements Act, on both of which we hope to be able to complete second reading stage.

[*Translation*]

As for the events of next Monday, Madam Speaker, there is a change which is important to note, namely that the president of Mexico is going to speak in the House, not at 11 a.m. but at 2.15 p.m., contrary to what may have been announced by some

media. The oral question period will be at 4.30 on the same day, and after that we shall pursue consideration of the old age security bill, to grant senior citizens an increase of $35 in their guaranteed income supplement.

After this bill is passed we intend to begin consideration of another piece of legislation to provide government with supplementary borrowing authority for the fiscal year 1980-81, namely Bill C-30. If before next Friday, which is an allotted day, an opposition day, as I have just mentioned, if we have enough time we hope to be able to complete the study of Bills C-19, C-28, C-3 or of motion No. 1 in the name of the government.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, on a number of occasions I have asked the minister whether he would be prepared to make the appropriate reference to the Standing Committee on External Affairs and National Defence so that there could be reports by parliamentary delegations to that committee, which is something which has been done before. I have indicated that we would be prepared to do that without debate. Is the government House leader prepared to make an announcement today as to whether that is appropriate, and could he put the appropriate order on the order paper so that we could proceed?

[*Translation*]

Mr. Pinard: The appropriate notice will be given no later than today, so that we hope to be in a position to adopt the motion tomorrow or at the latest at the beginning of next week.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, there is one other matter which concerns the House of Commons. There was some discussion during the period of time that the committee on televising the proceedings of the House of Commons was in existence, that committee being under Mr. Speaker Jerome. That committee does not exist at the moment, but that discussion ranged around the possibility of engaging in a pilot program to televise the work of standing committees of the House of Commons. There had been some discussions about that. The discussions did not lead to any final conclusion.

I am not assessing blame when I raise that matter—not by any means—but would the government House leader give consideration to arranging for the television of a standing committee of the House of Commons or at least equipping one room on a temporary basis, or whichever would be the least expensive, for televising the work of committees so that we can have a pilot project on that? I think that if that does not happen, there is a great part of the work of the House of Commons which would not be seen. I understand there is space available now through satellite transmission to carry the televising of the committees of the House of Commons. There is a considerable amount of space and time available. If the government House leader would consider that, I would be grateful. When he is considering it, could he tell the House whether he has any feeling about reconstituting that committee on televising the House of Commons under the chairmanship of the Speaker of the House of Commons, as was the case in other parliaments?

[*Translation*]

Mr. Pinard: Madam Speaker, my hon. colleague will recall that a few months, or rather a few years ago, it was our government which decided to bring Parliament closer to the people by televising the debates of the House. A committee was established at the time to launch this experiment which has now proven successful, and it was in this spirit that a committee of the House was appointed by the Speaker to ensure that the systems then being tested would bring about the results that we have today, that is that the debates would be televised according to the concept of the electronic *Hansard*.

Now, Madam Speaker, the suggestion concerning the committees deserves consideration. However, I must say to my hon. colleague that televising the debates of the House has made us realize that certain procedures are outmoded, and it is important to consider the fact that there is room for improving many elements of the procedures of the House.

While respecting the spirit of Parliament, we should modernize it. We can also make it more effective and more human. I would not want to be so narrow-minded as to limit the experiment of television to a single committee. I believe that in the next few months, in consultation with all hon. members, we must try to bring about a reform through which we shall be able once again to show to the public now watching us in the House of Commons through television that we can be effective while respecting the rights of the opposition and that we are also able to adjust ourselves to the requirements of the eighties.

All these changes, all these modifications, all these reforms should be discussed by representatives of all parties, and I do not think that it would be wise at this stage to launch a very limited experiment, at least not before the summer recess in order to televise the proceedings of a single committee.

If my learned colleague wants to think about reform proposals, I know that he has already submitted a project containing some good ideas, such as shortening the length of speeches at second reading, which I would gladly support. Certain other changes seemed less acceptable to my mind. In any case, we are open to discussion, and I invite all members who have constructive suggestions to make to do so as soon as possible so that we may, to the great satisfaction of the Canadian public, and of course of parliamentarians, make Parliament even more interesting than it is now.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I share with the government House leader the feeling of complete

acceptability of the process of televising the House of Commons. As he will recall, the motion brought forward by the then president of the Privy Council, now the Minister of Finance (Mr. MacEachen), after suitable amendment and discussion was approved unanimously by the House of Commons.

● (1510)

I appreciate his interest in parliamentary reform—it is an interest that we have as well—and I wonder, therefore, whether it is the intention of the government House leader—I gather it is his intention and I wish he would confirm it—to give a reference so that Parliament can get to the business of looking at the procedures of the House of Commons. Would he be prepared to indicate to the House when he would be giving a reference so that the committee can get to work with regard to reforming the processes of the House, and can he tell us whether he plans on doing that before the summer adjournment, because I think the interest in reform is shared by both sides of the House.

[*Translation*]

Mr. Pinard: Madam Speaker, the hon. member suggests that the matter be referred to committee. It is a suggestion which merits consideration. But there are other ways of achieving reform without necessarily going through a committee. I know the Standing Committee on Procedure and Organization gave the matter lengthy consideration in 1975. It produced three reports which are quite interesting and which could be applied in parts.

I will take his suggestion into consideration, but I want to assure him that reform can be accomplished in several steps but nonetheless in a global perspective rather than through isolated actions which would be inconsequential as regards the changes we want to bring about. Such reform could be accomplished not necessarily through a House committee but directly through consultation with my colleagues and then by a government motion.

In any event, we will most certainly consult members from both sides of the House before suggesting any change whatsoever.

[*English*]

Mr. Knowles: Madam Speaker, now that the Minister of Veterans Affairs has indicated that his legislation regarding veterans and their widows is just about ready, will the government House leader keep in mind the provision of legislative time for that legislation as soon as it reaches the order paper?

[*Translation*]

Mr. Pinard: I will certainly keep in mind what the hon. member mentions, and I trust that we will be able to give him satisfaction before the end of the year.

[*English*]

Mr. Hargrave: Madam Speaker, I have a further supplementary question for the President of the Privy Council. I should like to ask the government House leader if he would use his good offices to give a referral to the Standing Committee on Agriculture on the subject of the very critical western agricultural drought, so that it can be properly discussed for immediate consideration and action in that standing committee?

[*Translation*]

Mr. Pinard: Madam Speaker, I will, with pleasure, consult the ministers concerned, in particular the Minister of Agriculture (Mr. Whelan) and probably the Minister of Employment and Immigration (Mr. Axworthy), and, after consultation, take the hon. member's suggestion into consideration.

[*English*]

Mr. Friesen: Madam Speaker, my question is for the government House leader. I should like to ask him, while the Minister of Transport is here—I see him behind the curtain lecturing the Prime Minister who appears to be terribly intimidated—whether it is true that there is an intention not to bring forward the ports act legislation which was scheduled to be brought in by the previous Liberal administration and was then brought forward by our administration. First of all, is the rumour accurate that the government does not intend to bring forward that legislation? If it is not true that the government intends to bring it forward, can he say when it will be brought forward and what kind of priority the government places on that legislation, because it has very serious implications for the commission port in my constituency?

Mr. Pinard: I will check that, Madam Speaker.

* * *

PRIVILEGE

MR. McKNIGHT—MEDICARE PROGRAM—CONTRIBUTIONS BY SASKATCHEWAN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise on a question of privilege which arose out of statements made by the Minister of National Health and Welfare (Miss Begin) in this House on May 14. After my quick lesson yesterday, Madam Speaker, I should like to start again and quote from the middle of the paragraph on page 1061 of *Hansard* for that day, where the minister said:

> —to ask the local population and community to react to financial barriers being imposed when they should not be imposed in the light of the huge payments being made by taxpayers in all of Canada for medicare in Alberta, as everywhere else—though not in Saskatchewan, by the way.

I should like to bring to the attention of the minister that over the last number of years the taxpayers of Canada have contributed to medicare in Saskatchewan in 1977-78 to the tune of $193.5 million, in 1978-79 to the tune of $225.9 million. I am pointing that out because perhaps the minister has not paid attention to the province of Saskatchewan and does not feel that the rest of the taxpayers of Canada are contributing to health care in that province.

I should like to point out to the minister that up to 30 per cent of the doctors in the province of Saskatchewan are billing their patients directly. This has continued for the last two to three years. I should like to point out the actions taken by the government in Saskatchewan to rectify this practice which members of the NDP and some other members in the House find reprehensible. What the province of Saskatchewan has done is to introduce a bill in 1979 to amend the Saskatchewan medicare insurance act to require physicians to provide patients with information on how to receive reimbursement from the provincial insurance commission. This is not a great deal of help to people who will suffer a financial loss of probably 80 per cent.

In closing, let me state briefly that at present Saskatchewan is suffering along with other provinces from direct billing by physicians. I hope it is the minister's responsibility to rectify this problem.

If you find this to be a question of privilege, Madam Speaker, I would move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), that the Minister of National Health and Welfare recognize that the people of Canada contribute to medicare in the province of Saskatchewan.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Thank you very much, Madam Speaker. Through you, I congratulate the hon. member for Kindersley-Lloydminster (Mr. McKnight) for this second Tory speech in favour of medicare we have heard in two days. That pleases me and reminds us of the erosion problem suffered by that institution, the best Canadians have to serve them and which of course we want to see remaining whole to serve Canadians.

[*English*]

I regret that the hon. member has misinterpreted so seriously the answer I gave on medicare more than a week ago. If he would forget about making a speech on medicare, he would see that I have said very clearly and repeatedly that Saskatchewan does not impose financial barriers in the way some other provinces have. I do not even know why he rose on the subject. I am sorry to be that blunt—perhaps the heat in this room makes me call things by their name—but I should like to know what is behind the matter he raised, because on the face of it there is nothing in it that constitutes a question of privilege.

It is pretty clear from my answer that Saskatchewan has not raised financial barriers as have many other provinces. It has an indirect barrier to which I did not refer, and that is the barrier of extra billing. However, the fact is that in the last two years the extra billing has been reduced to some 3.5 per cent of the claims, which is not bad.

Some hon. Members: Hear, hear!

Miss Bégin: I am sure that members of the NDP would agree with me that it should be reduced to zero, but unfortunately it is still 3.5 per cent.

For the second day in a row we are faced with a Conservative member trying to espouse the cause of medicare, with the NDP applauding. I had decided not to raise this subject during the course of the inquiry by Justice Hall so as to give his report full justice. I thank hon. members of the opposition for bringing up the matter through alleged questions of privilege which do not exist.

Madam Speaker: Order, please. I have to rule on this question of privilege. I think the hon. member is expecting me to tell him that he has no question of privilege. Obviously this is a dispute arising between two members where interpretation of what was said is not agreed upon.

● (1520)

I think the time has come for me to read to members instances where, a question of privilege does apply, because it seems to me that members are bringing up questions of privilege quite often. Of course, the Chair encourages members to bring up questions of privilege when they are quite sure that there is a privilege involved, but I think I have had to rule sufficiently often on questions of privilege which were simply disputes between two members. Members should try to be a little bit more mindful of the reasons for which one can invoke a question of privilege, and I will read the reasons to members.

I should like to refer to Beauchesne's fifth edition, which reads as follows:

> A dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.
>
> The failure of a minister of the Crown to answer a question may not be raised as a question of privilege.
>
> Statements made outside the House by a member may not be used as the base for a question of privilege.
>
> Many matters, such as the absence of a minister of the Crown from a committee studying his estimates, may constitute a grievance but not a question of privilege.

Even that is quite a serious matter. In this particular case the member is raising a question of privilege based on remarks made by the Minister of National Health and Welfare (Miss Bégin) on May 14. He is raising that point today, on May 22. Beauchesne's fifth edition also indicates the following:

> A question of privilege must be brought to the attention of the House at the first possible opportunity.

There was ample opportunity for the member to bring up this question of privilege. The member was in the House. I do not know if he was in the House the day after the minister made this statement, but he was in the House several times since that time. It seems to me that several days have passed during which time the hon. member did not feel that his privileges had been breached. Beauchesne continues as follows:

> Even a gap of a few days may invalidate the claim for precedence in the House.

Therefore, on these grounds, which I am sure are quite obvious, I must rule that there is no question of privilege.

House of Commons

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY INCREASES

Madam Speaker: I have the honour of tabling in the House an extract from the minutes of a meeting of the Commissioners of Internal Economy held on Tuesday, May 13, 1980, on the revision of salaries of House of Commons employees.

* * *

[*English*]

IRANIAN ECONOMIC SANCTIONS ACT

MEASURE TO ESTABLISH

Hon. Mark MacGuigan (Secretary of State for External Affairs) moved for leave to introduce Bill C-31, to provide for the imposition of certain economic sanctions against the Islamic Republic of Iran.

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

* * *

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING VISIT OF THE PRESIDENT OF MEXICO

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there seems to be unanimous consent for this motion to be introduced now. It reads:

That on Monday, May 26, 1980, notwithstanding Standing Order 2(1), the House shall meet at 4.30 p.m. and shall conduct its business as if it had met at 2 p.m.

That private members' hour shall be suspended for the day's sitting;

That the address of His Excellency the President of Mexico, to be delivered in the House chamber earlier in the day before members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an appendix of the House of Commons debates of that day and form part of the records of this House; and

That His Excellency's speech, together with all introductory and related speeches, be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Madam Speaker: The House has heard the motion introduced by the President of the Privy Council. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3, 55, 150, 242, 336, 357, 360, 583, 589, 606, 658, 659, 660 et 817.

Madam Speaker, I ask that the remaining questions be allowed to stand.

[*Text*]

QUEBEC'S OFFICE IN PARIS

Question No. 3—**Mr. Cossitt:**

1. Is the government aware that the Paris, France, telephone directory in effect listed Quebec, prior to May 22, 1979, as an independent nation by referring to it as *Ambassade du Quebec* and, if so (a) what is the government doing to correct this falsehood with those concerned (b) is the government taking steps to determine whether or not Quebec's office in Paris has been granted certain diplomatic privileges such as duty-free liquor and cars, ordinarily granted only to recognized diplomatic personnel?

2. Is the government aware that a press official of the French foreign ministry stated in a press interview in February of 1979 with reference to Quebec's house in Paris: "In effect, it's an embassy. Mr. Deschamps, the delegate general, is the equivalent of an ambassador" and, if so, what representations has or is the government making to the French government in this regard?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes. The government is aware that the Quebec office in Paris was so listed in the 1979 edition of Paris telephone directory. (a) The Canadian Embassy in Paris contacted the appropriate authorities on the subject. The Embassy learned that while this directory is published under the aegis of the French ministry of "Les Postes et Télécommunications", its content and marketing are in the hands of a private concern. The error was corrected in the 1980 edition of the Paris telephone directory, and the Quebec office in Paris no longer appears under the heading of "Ambassade". (b) The officers of the delegation enjoy privileges similar to those of international organizations. They were negotiated between the Canadian and French governments in the early sixties.

2. Yes. The statement which was attributed to a press officer of the French foreign ministry was in fact made by the secretary of Quebec's Delegate-General in Paris. It expressed her own view of the situation rather than that of the Quebec government. No action is therefore required.

METRIC SYSTEM—COST OF PROJECT

Question No. 55—**Mr. Cossitt:**

1. What is the total cost to the taxpayers of Canada of all aspects of introducing the metric system up to and including the date on which this question is answered?

2. What is the over-all total estimated cost before the entire operation is completed?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): 1. Metric Commission Canada expenditures to date have been:

1971-72	$ 44,541
1972-73	$ 530,943
1973-74	$1,590,792
1974-75	$2,634,101
1975-76	$3,316,100
1976-77	$4,380,300
1977-78	$5,753,000
1978-79	$7,540,640

2. Projected Metric Commission Canada expenditure estimates are available for:

1979-80	$8,589,000
1980-81	$8,859,000
1981-82	$9,229,500

PARKS CANADA—CONSTITUENCY OF LEEDS-GRENVILLE

Question No. 150—**Mr. Cossitt:**

What was the total amount spent by the government in the former constituency of Leeds and the present constituency of Leeds-Grenville under Parks Canada, including the St. Lawrence Islands National Park and the Rideau Canal, since October 31, 1972, up to the date that this question is answered?

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

Expenditures—Parks Canada
St. Lawrence Islands National Park

	($000's)		
Year	Operation and Maintenance	Capital	Total
From October 31			
1972-73	77	52	129
1973-74	241	156	397
1974-75	262	282	544
1975-76	399	362	761
1976-77	434	909	1,343
1977-78	543	901	1,444
1978-79	612	785	1,397
To March 31			
1979-80	629	747	1,376
Total Expenditures	3,197	4,194	7,391

Rideau Canal
Taken over from Transport in 1973/74

1972-73	—	—	—
1973-74	1,734	2,996	4,730
1974-75	1,878	1,471	3,349
1975-76	2,241	2,723	4,964
1976-77	2,494	4,591	7,085
1977-78	2,655	4,636	7,291
1978-79	2,933	3,958	6,891
1979-80	3,019	3,580	6,599
Total Expenditures	16,954	23,955	40,909
Grand Total	20,151	28,149	48,300

BANK OF CANADA BUILDING

Question No. 242—**Mr. Herbert:**

1. What was the (a) total cost (b) design fees (c) furniture and special facilities costs for the new Bank of Canada building?

2. How many persons are permanently employed in the building?

Order Paper Questions

Hon. Pierre Bussières (Minister of State, Finance): 1. The over-all total budget for the head office project of the Bank of Canada has not changed since question 1875 was answered April 18, 1977, supplementary July 21, 1977, and question 2879 was answered August 4, 1977. The final cost of the construction component was $1.7 million below the budget. It is expected that the cost for other components, which are nearing completion, will fall within the budget.

2. Final consolidation of all of the head office operations of the Bank of Canada in Ottawa will have occurred before mid-year 1980. At that time it is estimated that some 1,500 persons will be permanently employed in the new head office complex.

VETERANS AFFAIRS—HOSPITAL BEDS

Question No. 336—**Mr. Herbert:**

1. How many priority beds, by location, are available to the Department of Veterans Affairs in hospitals and nursing homes that are not administered by the Department?

2. How many are not presently used by the department?

3. Is there a charge for a reserved bed that is not in use?

4. Is there a waiting list of eligible persons wanting to occupy a priority bed?

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

1.	St. John's, Nfld.	84	Toronto, Ont.	1200	
	Halifax, N.S.	200	London, Ont.	767	
	At facilities in N.S.	85	Kingston, Ont.	150	150*
	Saint John, N.B.	83	Regina, Sask.	116	50*
	Fredericton, N.B.	57	Saskatoon, Sask	100	100*
	Moncton, N.B.	35	Edmonton, Alta.	246	100*
	Campbellton, N.B.	25	Calgary, Alta.	146	
	Québec City, Qué.	150	Vancouver, B.C.	870	
	Montréal, Qué.	55	Victoria, B.C.	170	

2. * DVA does not formally exercise its right of priority access to these beds. While the agreements are still in effect, the requirement for priority access to active treatment no longer exists.

3. No.

4. No, for active care beds. Yes, for chronic, personal and intermediate care.

VETERANS AFFAIRS—EMPLOYEES IN SX CLASSIFICATION

Question No. 357—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Veterans Affairs (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979, and, if so, what effect did such a change have on the number of SXs employed?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 11; (b) (i) 1; (ii) None.

2. Same as above.

Order Paper Questions

3. No.

FISHERIES AND OCEANS—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 360—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Fisheries and Oceans (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): 1. (a) 37; (b) (i) 2; (b) (ii) 1.

2. (a) 38; (b) (i) 3; (b) (ii) 2.

3. The Department of Fisheries and Oceans was officially created on April 2, 1979. Eight additional SX positions were established for which staffing actions are under way.

CAPITAL GAINS TAX

Question No. 583—**Mr. Mitges:**

1. In the fiscal year (a) 1972-73 (b) 1973-74 (c) 1974-75 (d) 1975-76 (e) 1976-77 (f) 1977-78 (g) 1978-79, what amount of revenue did the government receive from the capital gains tax?

2. For the same years, what was the monetary cost to the government to collect the tax?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue): 1. (a), (b), (c) and (d). See question 1699, Thirtieth Parliament, third session, answered October 10, 1978.

	Tax Year	Amount (millions of dollars)
(e)	1976	310
(f)	1977	415

(g) The year 1977 is the last year for which data is presently available.

It is not possible to provide an answer on a fiscal year basis. The above are estimates by taxation year of amounts of revenue received by the government attributable to the taxable portion of capital gains, based on calculations by the Department of Finance.

2. Since capital gains are not taxed separately, information is not available as to the monetary cost to the government of collecting the tax.

SUPPLY AND SERVICES—PERSONNEL INFORMATION SYSTEM

Question No. 589—**Mr. Cossitt:**

With reference to the Auditor General's report for the year ended March 31, 1979, at page 507 which states in part, that the personnel information system of the Department of Supply and Services was found by users "to be inaccurate, untimely and incomplete" and that absence of an "adequate information system has led to the creation of duplicate systems and has hindered personnel management", is the government taking steps to correct this situation and, if so, what are they?

Hon. J.-J. Blais (Minister of Supply and Services): The personnel information system referred to in the Auditor General's report was developed and introduced within DSS about ten years ago. Since that time, the technology for such systems has made great progress and, as a result of a full review made in 1978, it was decided to replace this system rather than try to upgrade it. In 1979-80, the personnel information system in the services administration of DSS was replaced by the Personnel Administrative Reporting System (PARS). PARS is a terminal oriented system using current EDP technology and is capable of providing accurate, timely and complete information in support of the personnel management function. Introduction of PARS in the supply administration of DSS is planned for fiscal year 1980-81.

INDUSTRY, TRADE AND COMMERCE—NUMBER OF LAWYERS ON STAFF

Question No. 606—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Industry, Trade and Commerce?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): There are no lawyers employed on staff in the Department of Industry, Trade and Commerce. The Department of Justice has however, assigned a total of five lawyers to provide the day to day legal counsel required by the department.

CANADIAN PENSION COMMISSION—VETERANS IN NEW BRUNSWICK

Question No. 658—**Mr. Howie:**

How many war veterans from New Brunswick are waiting for a decision to determine (a) eligibility (b) increase in their disability pension?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) The Canadian Pension Commission does not maintain statistics regarding applications for eligibility for pension by province.

(b) The Canadian Pension Commission does not maintain statistics regarding applications for increase in disability pension by province.

Question No. 659—**Mr. Howie:**

How many war veterans from New Brunswick have been waiting for more than six months for a board decision to determine their entitlement to a disability pension?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The Canadian Pension Commission does not maintain statistics regarding applications for entitlement to a disability pension by province.

Question No. 660—**Mr. Howie:**

How many war veterans from New Brunswick have been waiting for more than six months for a board decision to determine their right to an increase in their disability pension?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The Canadian Pension Commission does not maintain statis-

tics regarding applications for increases in disability pension by province.

CONSUMER AND CORPORATE AFFAIRS—STUDIES ON MARIJUANA

Question No. 817—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Consumer and Corporate Affairs?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Nil.

[*Translation*]

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

Some hon. Members: Agreed.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I should like to draw to the attention of the Parliamentary Secretary to the President of the Privy Council question No. 785 which stands in my name. I do not do this by way of criticizing the government for delay at all in view of the date of the question. The question reads as follows:

Has the Department of Public Works, the NCC or any other department or agency made any agreement with the Regional Municipality of Ottawa-Carleton or any other local government in the national capital, to grant land or the right to use land for the extension of the Knoxdale-Hunt Club Arterial Road or any part thereof through lands owned or controlled or used by any government department or agency?

That is the purport of the question. I must tell the parliamentary secretary that the question is of great importance to a large number of ratepayers and residents in the areas of Manordale, Woodvale, Arlington Woods, Tanglewood and Merivale Gardens in the city of Nepean. I bring this matter to his attention specifically so that he could ask the Minister of Public Works if he can expedite an answer to that question. I realize there are problems with respect to that, but if the parliamentary secretary would do that, certainly I would be very grateful.

Mr. Collenette: Madam Speaker, I am glad the hon. member for Nepean-Carleton (Mr. Baker) has drawn the urgency of answering this question to my attention. I will do my best to get a quick answer and to talk to the Minister of Public Works about it.

In general I should like to say that to date we have answered 126 questions in the short period of time since the House has been sitting, which I think is not a bad record.

Mr. Baker (Nepean-Carleton): They have done very well.

Constitutional Change

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—QUEBEC REFERENDUM RESULT—CALL FOR CONSTITUTIONAL CHANGE

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That this House welcomes the result of the referendum in Quebec and pledges itself to interpret that vote as a clear call for constitutional change.

He said: "Madame le Président," we decided to put on the order paper today a general motion which calls upon the House to recognize the vote in Quebec as a vote that called very clearly for constitutional change. We thought it was important to do that so that members of Parliament of all political parties had a chance to speak out in united voice about the kind of Canada they want to see in the future.

[*Translation*]

On Tuesday May 20, it is clear, Madam Speaker, that the people of Quebec voted against the status quo. Like many other Canadians, they made known their wish to build a new country. It is important to realize that this is a second chance for the renewal of the Canadian federation.

[*English*]

I must compliment the Québecois for their intelligent, peaceful and democratic debate. In many countries around the world, in many different societies, the problems we are dealing with here could result in war, killings, violence and unrest. In Canada our differences are a clash of ideas, not of guns; our differences are a clash of words, not of fists.

● (1530)

In this debate I do not want to speak of winners; I do not want to speak of losers. I want to speak about the future of my country, which I think is very promising.

I also want to compliment the Prime Minister (Mr. Trudeau) of our country who spoke in a very positive and magnanimous way the night of the referendum and here in the House yesterday. I want to compliment the Leader of the Official Opposition (Mr. Clark) and the leader of my party, the hon. member for Oshawa (Mr. Broadbent), for their openness and conciliatory attitude in the House of Commons and on referendum night in Quebec on May 20.

This is not a time for self-righteousness. It is not a time for English against the French. It is not a time for east against the west. It is not a time for the federal government against the provincial governments. It is not a time for farmer against worker. And it is not a time for one Canadian against another. But it is a time for all of us to work together, to seek a common consensus and a common compromise for the Canada of tomorrow. It is a time to build a country with a new federation that has a central government strong enough so that we can have economic equality among all the regions, yet a country that is flexible enough that all the regions have freedom to express their uniqueness and their differences.

In addition to constitutional change, we need an economic development plan that is fair to all provinces, and we need to patriate the Canadian economy so that we own and control the house we live in and we have a Canada owned by Canadians.

Some hon. Members: Hear, hear!

Mr. Nystrom: Finally, we need a change in attitude in Canada, one of understanding and co-operation among all the people of this country. We are a wealthy country, we have resources, we have the educated people, and with imagination, with constitutional and structural changes, we can build a country where we can feed, and provide adequate health care for, all our people; a country where we can help the poor and the underprivileged, where we can find a place for Indian, Inuit and our Métis people, where we can have a special place for Quebec and French Canadians, and where we can have a special place for and thrive on our multicultural background and make it all a part of a new Canada.

[*Translation*]

It is important to understand that the result of the referendum is a clear indication of a will to change. As a majority of Yes votes would not have meant the end of the country, a majority of No votes is by no means a guarantee of survival. It is obvious that the 40 per cent of Quebeckers who voted Yes demand substantial change. We must keep in mind that the majority of those who voted No, that is nearly 60 per cent, also demand substantial constitutional change. Also, we must note that some of those who voted Yes are in favour of federalism, but said Yes for tactical and strategic reasons.

[*English*]

It is also very important, I believe, when one looks at the vote in Quebec, to recognize that the "Oui" vote was strongest among the young; the "Oui" vote was strongest among the educated, the leaders of tomorrow. This reinforces the urgency of change in our country, and the urgency of making changes as soon as possible.

Some hon. Members: Hear, hear!

Mr. Nystrom: I believe that we do not have very long to find a solution, otherwise dissension across Canada may be impossible to stop.

Just think about what has happened in this country since 1967, Mr. Speaker. Let us take our minds back to the year 1967, our centennial year, a year of great promise and great hope, a year of celebration in our country.

[*Translation*]

Since 1967, a year of festivities in the province of Quebec, it is clear that many citizens are not too happy with the status quo. Here are some examples from recent years. In 1968, the Parti Québécois was formed. In 1976, it had become the government of Quebec, and four years later, the Parti Québécois had managed to rally 40 per cent of the votes for a mandate to negotiate sovereignty-association. It is clear that many Quebeckers are not happy with the status quo in Canada.

[*English*]

Since our celebration in 1967 we have seen in the west increasing unhappiness and the founding of several small separatist groups, political parties, including the Unionist party that hopes to make me and all of us in western Canada Americans, something that as a westerner I will fight against by arguing for legitimate change within a federation. I have nothing against my friends in the United States, but I want to remain a Canadian; I want to remain a Canadian now and a Canadian in the future.

A recent poll by the Canada West Foundation showed that 13 per cent of western Canadians wanted the west to separate from Canada and form a separate country, and I think that is very serious. Some 4 per cent wanted us to join the United States. A CBC poll conducted in Swift Current, in my province, showed that 19 per cent of the people there wanted a separate country and 6 per cent wanted to join the United States. I think that is evidence that western alienation and unhappiness is growing in our country.

Since our celebration in 1967 we have seen increasing unrest in Newfoundland to the point where a distinguished journalist named Charles Lynch recently described a speech by Premier Brian Peckford as sounding more separatist than René Lévesque.

Since our celebration in 1967 the Indian, Inuit and native people of our country have been increasingly frustrated with their status in Canada. Last month the Indians asked to participate in constitutional talks and to have some of their rights enshrined in a new Canadian constitution. These and other frustrations in our country are very real, and they must be met. We do not meet them by constantly putting people down, by clubbing people on the head and by isolating them. That only fosters a feeling of anger, a feeling of discontent and a feeling of alienation in our country.

[*Translation*]

With respect to Quebec, neither my party nor I are in favour of sovereignty-association, and the leader of my party has said so many times in Parliament and across the country. But I must congratulate the present government of Quebec, as my leader did in Parliament last year, I believe, on other political decisions, such as the project to nationalize the asbestos company, the automobile insurance scheme, the labour legislation, the farming legislation and its position on the status of women and the highest minimum wage in North America as well as other progressive measures. All these things have been accomplished within the federal system. I also agree with the general principle of Bill 101.

• (1540)

[*English*]

Bill 101 guarantees as many, if not more, rights to the English in Quebec than many of the other provinces guarantee to the Francophones who live outside Quebec. The English

minority in Quebec has schools and school boards, while in provinces such as Ontario there are many French schools. But in spite of the fact that there are half a million Francophones in Ontario, they are not allowed to have their own school boards. Here in the national capital the parents of tens of thousands of young people who attend French schools are not allowed to have French language school boards.

Instead of condemning everything that is done by the Quebec government, as some have done by comparing that government to the governments of Cuba and Haiti, we should praise what is right, progressive and good and condemn and dissociate ourselves from that with which we disagree. As I say, we disagree very strongly with sovereignty-association.

I was very happy to notice, in *La Presse* newspaper of May 17, just last Saturday, an article which quoted a former Liberal MNA who had been a cabinet minister in the province of Quebec. The gentleman was Victor Goldbloom who is an Anglophone from the Jewish minority group in Quebec.

[*Translation*]

And I quote the headline:

The PQ nationalism does not exclude minorities

The Quebec society is one which is very democratic.

[*English*]

When someone like Mr. Goldbloom makes a statement like that, we should take cognizance of the fact that, just because we disagree strongly with one of the concepts of a people, we do not have to condemn the whole direction of the people.

[*Translation*]

Quebec is different. It is a distinct society by reason of its history, its language and its culture. Moreover, its school and judicial systems are different from those to be found elsewhere in Canada. In my view, a new constitution must recognize this difference.

[*English*]

There are many differences and many problems in western Canada as well. I have already referred to the growth of the separatist movement, the Unionist party and the like, all of which we oppose. However, our differences in the west are primarily of an economic nature. For a long time there has been an increasing economic alienation of western Canada from Ottawa and the government.

But western Canada is not monolithic in a cultural sense. One need only look to Alberta and Saskatchewan to see the many historical, cultural and institutional differences which exist in the prairies. In Saskatchewan there is a long history of co-operation, of public ownership and of public participation in the economy. In Alberta the orientation has gone in the other direction.

However, there are many problems which are similar. We have problems in agriculture. We fought to build a Canadian Wheat Board, and we want to keep a Crow rate as a statutory rate to help our farmers. We also want to process our food resources in the west, to build up an industrial base and process some of the raw materials of western Canada in western Canada to provide our people with jobs and the resulting economic benefits. We would also like to have a freight rate system that is more fair and does not discriminate against western Canadians in the development of our goods.

In terms of the constitution, there are many things that the western Canadian premiers are now asking of Ottawa. Recently at a meeting in Lethbridge, Alberta, the four premiers issued a communique saying that resources should be under the control of the provinces, that the provinces should have more input and more control over communications in our land, and that the federal institutions should be reformed so that they reflect a more accurate make-up of our country which would allow for more provincial input into the institutions of Canada.

What the western premiers are saying is something that we will have to consider in the months and years ahead—that they want a certain devolution of power toward the provinces on the one hand and, on the other hand, a strengthening in the centre of provincial voices and provincial views so that the provinces could have some input into institutions such as the Supreme Court and the Bank of Canada. Perhaps the Senate could be changed to a council of the provinces, or something of that nature.

These are some of the feelings one finds in western Canada. I stress very strongly that most of those feelings are directed toward forming a new country within a federation, a country which we all wish to keep together.

● (1550)

[*Translation*]

To all those, whether in Quebec, in western Canada, in the maritimes, who have lost faith in a federal arrangement for Canada and to all those who no longer believe that the Canadian federation can meet their needs, we of the New Democratic Party reply that a federal structure is the solution to the various problems that exist in this country. Having said that, Madam Speaker, we cannot accept either the constitutional status quo or a renewed status quo. On the contrary, we consider the new federation must reflect the values of democracy and social justice.

I would like to recall rapidly some of the advantages of a federal arrangement and point out at the same time why the NDP, our party and myself are convinced that this political formula is best for the future of Canada. It is particularly interesting to see that the first individuals who were politically inspired by the old principle "In union there is strength" were not the Fathers of Confederation but the Iroquois who created the first kind of federation in this country. They understood that a federal arrangement was a guarantee of greater stability. Today we can confirm that idea, a very, very important idea. A federation is a more solid alliance than a treaty of association between two or several sovereign states. Another advantage is the absence of monopoly over the political power. In a federation, the political power is divided among different

levels of governent and within a democratic framework; that constitutes the best defence against an authoritarian regime by nature and against an intensification of social conflicts. It was de Tocqueville who wrote, I think, and I quote:

> I believe provincial institutions to be useful to all peoples, but none seem to me to have a more real need of those institutions than those whose social system is democratic.

It seems obvious, Mr. Speaker, to the largest part of the people that a federal arrangement assures a certain economic viability that would not be present in other situations. I will give you only two proofs of that. The process of greater economic unity in Europe—and I am referring here to the European Economic Community—and second, the recognition by the leader of the Parti Québécois himself, René Lévesque, in his platform, of the necessity of an economic association between Quebec and Canada.

Finally, as another advantage, one must be aware that a federation is not necessarily incompatible with the development of the peoples that make it up. It is rather the structures of the federation and the ways in which governments use those structures that can create a form of oppression of minority groups. So, in theory, it is possible to conceive the existence of a development for political groups and peoples.

And, Mr. Speaker, even Mr. René Lévesque, Premier of Quebec and leader of the Parti Québécois, acknowledges that because a month ago he wrote in the April, '80 edition of the magazine *l'Action nationale*, and I quote:

> Instead of the present regime, it may be possible, in theory, to imagine a form of renewed federalism. But this renewed federalism should aim at changing Quebec's place in a way that will not weaken it but strengthen it.

René Lévesque said that a month ago.

In principle, we of the New Democratic Party are not against this proposition since we believe that the development of the people who make the Canadian federation should be promoted. And as far as the Quebec society is concerned, we believe that during the next negotiation round, the idea of a special place for Quebec in the renewed federation should not be ruled out.

[*English*]

Mr. Speaker, I want for a few more moments to digress from the sort of problem we often deal with in this House—the concrete world of taxes, inflation, unemployment, expenditures and so forth—and to address briefly a problem that is much less tangible but in my opinion all too real. This is the problem of attitude. It is very difficult to talk in concrete terms of attitude, but it is the problems of attitude and of perception that underlie the way in which the central government goes about using its power.

It seems to me that power concentrated in the centre has all too often taken on the shape and the image of the centre, rather than reflecting the reality of the regions. This is a multicultural country; our people have come from many lands. The people who settled and built my province, for example, have names like Konkin, Fedorak, or Tchorzewski. Even when adopting the English language they have left their cultural mark. The differences between my province and Newfoundland and Ontario are not as marked as those that exist between Saskatchewan and Quebec, but they are there and they are important. Thus it is important that the central body, the institutions, reflect those differences. We have different cultural values in Canada and those differences should not be treated as an impediment to progress; they should be seen as an attribute in this country.

To return to the question of perception, we must at all times remember that what one culture defines as having great importance is not necessarily so defined by another culture; those things which one culture defines as having equal value are not necessarily so defined by other cultures. By not recognizing the existence of these differences, by not seeing them as attributes and by not incorporating them into policies and programs—those which we describe as universal as well as those we describe as regional—we run the risk of increasing the alienation and regional conflicts with which we are all too familiar.

Some hon. Members: Hear, hear!

Mr. Nystrom: I shall cite but two examples, Mr. Speaker. I hope they will not seem petty or frivolous as they are examples that are important to many people. I remember Robert Cliche.

[*Translation*]

And I think that hon. members remember clearly Mr. Robert Cliche, who was once the leader of our party in the province of Quebec and a very well known judge—

[*English*]

He was very popular and an important figure in the province of Quebec. I remember when Robert Cliche talked about the housing program of CMHC. He mentioned that this agency of the central government was building houses in Quebec to architectural plans, which I suppose were adopted by officials in Ottawa, and which had incredibly small kitchens. Robert Cliche pointed out that in the homes of Quebeckers the kitchen has always been a very special place. It was and still is a focal point, a place of socializing, a place of conversation. All this was ignored by CMHC planners who designed houses with small kitchens. In the scheme of things, this is a small problem but I think it is indicative and symbolic of the much larger problem of attitude at the centre of the regions of this country.

Another example is the matter that was raised in the House three or four weeks ago by the hon. member for Dauphin (Mr. Lewycky). This example is very important to the part of the country that I come from. I refer to the recent policy of the government of ending the Saturday morning postal service in rural communities. In a constituency like mine people really do not understand how the central government can be so ignorant of the importance of this service to the continued viability of their communities, and therefore to the continuation of a way of life that they value. In a small community of 200 or 300 people or even 3,000 people, Saturday is the day when people

come to town to shop, to visit, to socialize, to meet friends, neighbours and relatives, to go to the coffee shops and cafes, to go to the co-ops. They also go to the post office. All you have to do in a small community is stand in front of the post office on a Saturday morning and you will meet over half the residents. That is important to us, Mr. Speaker. A lot of people feel alienated when such a service is removed.

Whether we talk about housing programs, the postal service, rail policy or a multitude of other policies and programs, the widespread feeling that the central government is literally and figuratively too far removed from the lives and aspirations of the diverse people of this country is, it seems to me, justified. Too much has been undertaken by planners and mandated by governments which indicates that there is no awareness or appreciation of the differing values in this country.

As we set out on this ground project of constitutional reform, we must begin, as the Leader of the Opposition said yesterday, by putting our own house in order and by putting our own institutions in order. We can begin that process by making sure that our perception of what this country is all about is correct. I think that all of us in this House realize how easy it is to lose sight of what is wanted in the constituencies when we are burdened with the administrative and other responsibilities of office. We must take steps to ensure that the voices of all the peoples and all the regions are heard and that their aspirations are realized as much as possible.

I see that my time is about up, Mr. Speaker. If you will allow me another minute or two, I should like to conclude by saying that the task before us is no easy one. I think we have started off with the right tone, however. We started off by being open, by wanting to build bridges, wanting to reach out to people, wanting to build a federation with a centre strong enough to make sure we have genuine equality of opportunity, yet flexible enough that each region and each province can demonstrate its uniqueness. That uniqueness can grow and flower, Mr. Speaker, and make all of us better and more wealthy because of it.

We are a string of communities, a string of regions and a string of cultures around this country. The combination of all those cultures and communities is more than just the literal addition of them. We are more than a community of communities. The combination of all of that is Canada. It is the combination of all of that that I think is going to make this country one of the really great countries in the years that lie ahead.

● (1600)

I plead with the Prime Minister, with members of this House, with all of the provincial premiers and leaders, that in the next few weeks and in the next couple of years—because I believe that we do not have too many more years to go—we maintain this policy of openness, this policy of trying to draft a new constitution, a new framework with new economic policies, with new attitudes that will make us, once again, one big, united family that recognizes our differences, that is proud of those differences and that grows because of those differences. Those are differences that make us a country called Canada that is unique and prosperous in the world.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, first of all, I want to congratulate the hon. member who moved the motion now before the House as the topic to be discussed on this allotted day. It is very simple and, if I may, I should like to read it again:

That this House welcomes the result of the referendum in Quebec—

Obviously, as far as the first part of the motion is concerned, as we saw yesterday, the reaction was spontaneous and unanimous on both sides of the House: all hon. members from all parts of Canada, are truly happy with that result. I resume the quotation:

—and pledges itself to interpret that vote as a clear call for constitutional change.

The second statement is also obvious in that the reaction of the hon. members of all parties proved clearly yesterday in this House that the results of the vote in the province of Quebec must be interpreted as proof that the province of Quebec has decided to choose Canada while at the same time calling for a renewed federalism.

As far as I am concerned, the way I interpret the results which gave the federalist forces about 60 per cent of the votes in Quebec as opposed to 40 per cent to the Yes forces, is this, Mr. Speaker: they are clearly indicative of two conclusions. The first, that a large majority of Quebeckers have expressed their wish to remain within Canada; and second, that a large majority of Quebeckers have also heard, accepted and understood our message to the effect that by voting No, they would be voting for major constitutional change. If, in addition, we take into account the fact that amongst those who voted Yes, quite a number did so, by their own admission, to exert pressure with a view to getting a renewed federalism and those people wanted change while remaining within Canada, in the final analysis, we see that, in that May 20 referendum, far more than 60 per cent of the Quebeckers indicated clearly that they choose to belong to Canada. Therefore, my interpretation is that the vast majority of Quebeckers chose Canada Tuesday night, but that they did so in the hope that institutions can now be changed in the near future. And what leads me to come to that conclusion is the style that permeated the referendum campaign in Quebec these last few weeks. You will remember, Mr. Speaker, that the campaign unofficially began by the tabling of the notorious question in the Legislature, to be followed subsequently by a debate. All the observers that I have met, at least a large number of them, agree that during the debate in the Quebec legislature the PQ members did not deal at length in their speeches with the question itself but mostly discussed matters other than sovereignty-association. Conversely, the opposition members, a much smaller group,

denounced the question as being ambiguous, long, confusing and designed to garner votes under misrepresentations. But since the PQ members were in a majority situation in the legislature, it so happened that their comments had an impact on the public and indeed at that stage of the referendum campaign, the PQ had taken the lead and was winning over the federalist forces.

After that, the referendum campaign was officially launched and then a strange phenomenon happened. Many would have thought that it would have been hard for federalist forces to rally, but quite the opposite. In fact, federalist forces came together and united in the most perfect harmony and in the strongest unity to take a united stand against the sovereignty approach. Under Mr. Ryan's remarkable leadership, we saw the Liberal members of the Quebec National Assembly, the members of the National Union and of other opposition parties join forces with members of this Parliament and in the most complete harmony express to all Quebeckers their will to build a modern Canada, a country that meets the requirements of its regions and where the constitution will be renewed as soon as possible.

This was a turning point because, from the very beginning of the referendum campaign, we saw the exemplary union of federalist forces of all parties both in Quebec and in Canada and this, to my mind, largely contributed to the great victory of the No vote during the referendum campaign.

Also, the style adopted by both forces was a determining factor in the decision made by the voters in the province of Quebec. If we analyse briefly the campaign style of the Parti Québécois and the Yes side, we realize, and this may seem paradoxical, that their approach was very negative. I suggest that this seems paradoxical because they were trying to get a Yes answer, while their approach was essentially negative.

The Yes supporters attacked federalism, federalists, and they even tried in some instances to attack individuals rather than to stick to the substance of the debate. They even failed—and it was perhaps a strategy, and if so, it failed—to deal in depth with sovereignty-association and to define it to a population which was obviously concerned and wanted to know exactly where the Parti Québécois and the Yes supporters wanted to lead them with a question which was denounced from the very beginning of the campaign as deceptive and ambiguous.

And we saw on May 20 how the general public's common sense had the better end. The question itself aroused suspicion, being much too long and not really understandable by the average Quebec men and women, the average citizens. And the people told themselves: If the question is so long and complex, probably those who put it have something in the back of their minds. I think this was a natural reaction by Quebeckers, at least in my constituency.

It would have been much simpler to ask plainly: Do you support sovereignty-association or not? and explain the implications during the campaign. The skepticism caused by the lengthy and ambiguous question was strengthened by the fact that the question was being put by a political party proposing Quebec's independence. Federalist forces made this very clear in my view during the referendum campaign when bringing it to the attention of Quebeckers. Finally the people from the Parti Québécois used their majority position to force their question upon the National Assembly and in the referendum.

And Quebeckers realized that the lengthy and difficult question, ambiguous for most people, was put by a political party with a clear platform to seek independence for Quebec. Once again the common sense of the people prevented them from going the Parti Québécois' way, not only because the question was confusing and too lengthy, but also because it was put by a party with an avowed objective of independence that appeared to be hiding their choice behind a 125-word question.

But something more decisive than the ambiguity and length of the question and the fact it was put by a political party seeking independence is that Yes forces, the PQ majority failed to show Quebeckers—as theirs was the burden of proof that the change to sovereignty-association would bring about advantages not provided by the current system, federalism, and I think that the No forces exploited that well in all regions, and the question was legitimate. I think that with a question as important as this one where people were asked to give the government the mandate to negotiate sovereignty-association, a question which was 125 words long, and that was what the Parti Québécois wanted, I think it would have been normal and wise for the Yes side, during the referendum campaign, to try and prove to the ordinary people, to the general public that a change was desirable because it would benefit Quebeckers.

Not only was proof not given by but the Yes forces, those who argued for the Yes cause, seem to have deliberately avoided talking about sovereignty-association and therefore about its advantages, if any. This, in my opinion, showed disrespect for the electorate and the people of Quebec. But once again, as I have said, common sense prevailed. Quebeckers were distrustful as soon as the question was made public because it was long, because it was ambiguous, because it was asked by a political party whose political option was to achieve independence, and it seems to me that the fact that the Péquistes skirted the definition of sovereignty-association and its consequences only added to this mistrust and encouraged the great majority of Quebeckers to reject the option, to refuse to give the mandate asked for and to say no to the referendum question. So, this is my modest and very summary analysis of the results of the referendum, results that should be interpreted as an outright rejection of sovereignty-association by Quebeckers, an option unknown to them and about which they have been systematically denied any explanation and, conse-

quently, of which they do not know the benefits, if any. On the other hand the results of the vote show very clearly and very positively that the huge majority of Quebeckers are in favour of Canada, their feeling of belonging was very obvious but, at the same time, most Quebeckers, if you add up to those who voted No all those who voted Yes and who wanted constitutional changes but within the federation, we realize that the large majority of Quebec citizens want major constitutional changes and very soon.

● (1610)

[*English*]

I am delighted with the result because it makes two things clear; first, that a majority of Quebeckers have expressed their preference for staying in Canada; and second, that they have heard and accepted our message that voting No is a vote for change. In interpreting this victory we should remember that many people who voted Yes really want change which would keep Quebec in Canada. So, all in all, the victory for Canada is clear. The job now is to get on with the work of reform as rapidly as we can, and this is exactly what we intend to do. It is our hope that the government of Quebec will accept the will of the people and express its willingness to participate creatively in the work of constitutional reform.

[*Translation*]

It made me conclude that the large majority of Quebeckers want to stay in Canada and promote a renewed federalism. I mentioned the type of campaign made by the Yes supporters, but the type of campaign of the No supporters had also an influence and a significant one.

On our side, I think we tried to make people proud of belonging to Canada and we have been very successful. I think people in Quebec accepted our proposal that they should choose the road that the right hon. Prime Minister of Canada, (Mr. Trudeau) had often described as the road to excellence, where you try to be heard at the federal level so that this country will be governed in harmony between the two great founding peoples and so that individual freedoms and minority rights will be protected.

I think that our commitment to Canada and our approach commanded great respect, because people understood what we were asking from them, in spite of injustices that occurred in the past which no one denies, but that nonetheless happened within a relatively very short period of time. After all, in my humble point of view, a nation is still very young when it is only 113 years old. There are various ways of correcting injustices. Contrary to the Parti Québécois, which was advocating a kind of territorial withdrawal which would be an act of frustration and would result in the loss for the Quebec people of huge resources, both cultural and material, and which would also be unfair to our French-speaking minorities outside of Quebec, what we were proposing was—instead of collective sulking and a sort of confinement in a limited territory—a noble effort to show that in this country which is still very young, French and English people can live in complete harmony, in mutual respect, and of course in the greatest equality, Mr. Speaker. I for one believe in it, and think that our message was well accepted by the Quebec people as a whole. In 1980, in a country which is about 113 years old, we can still meet the challenge of diversity or, in other words, as I have just said, allow two great founding people to benefit from the cultural wealth of each other and let several other cultures be respected and develop in the Canadian mosaic. I believe that what I said in my region, and what many others said in their own region, helped to strengthen the will of Quebeckers to meet this challenge, to have confidence in the future and to go on building a great country which can remain united and be really strong. I have the impression that the vote on the question asked by the Parti Québécois resulted in a refusal of the concept of sovereignty-association, but also, and this can now be stated as an obvious fact, gave massive support to a healthy, fair and equitable development of the beautiful and vast country which is Canada. This this is why I am in complete agreement with my colleague of the New Democratic Party who moved today's motion when he concluded, as I am convinced we must all conclude, that it is now obvious that Canadian attitudes have begun to change clearly and significantly, and I believe that this will lead to constitutional changes which will come about effectively and quickly. I am happy that the Prime Minister unequivocally reaffirmed yesterday in this House his desire to bring about a renewed constitution and the flexibility of his approach.

Before closing, I would not want to miss the opportunity to quote some of his comments which are essential at this stage of the evolution of our Canadian history. Two days ago, we saw the victory of the No option of which we have just commented on the meaning for Quebec, but the fight is not over. It has just begun, Mr. Speaker. It is important to emphasize this short passage of the statement made yesterday afternoon in the House by the Prime Minister of Canada, and I quote:

> —I have asked the Minister of Justice to begin immediately a tour of the provincial capitals in order to obtain the views of the premiers on the best way to follow up on their will to change. As for us, our only prerequisites for change are the two which I outlined in Quebec as early as January, 1977.
>
> First, that Canada continue to be a real federation, a state whose constitution establishes a federal Parliament with real powers applying to the country as a whole and provincial legislatures with powers just as real applying to the territory of each province. Second, that a charter of fundamental rights and freedoms be entrenched in the new constitution and that it extend to the collective aspect of these rights, such as language rights.
>
> I had said at the time and I say again today that we consider everything else to be negotiable. What we want is to give Canada a new, modern and functional federal constitution which will enable our governments to better meet the needs and aspirations of all Canadians.

Well, Mr. Speaker, there is hardly anything left to add to the comments made by the Prime Minister of Canada; except for the federal link as well as individual and minority rights, everything else is negotiable. This is where we stand and I have every reason to believe that with some good will, a change of attitude has been shown and continues to be shown, but now it is time to alter our institutions in a harmonious climate without undue delay.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Algoma (Mr. Foster)—Labour Conditions—Health and Safety measure to protect uranium miners; the hon. member for Victoria (Mr. McKinnon)—National Defence—Winners of competition for design of patrol frigate; the hon. member for New Westminster-Coquitlam (Miss Jewett)—Status of Women—Studies on employment strategies for women.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—QUEBEC REFERENDUM RESULT—CALL FOR CONSTITUTIONAL CHANGE

The House resumed consideration of the motion of Mr. Nystrom:

That this House welcomes the result of the referendum in Quebec and pledges itself to interpret that vote as a clear call for constitutional change.

The Acting Speaker (Mr. Blaker): There have been some discussions or consultations with respect to how the order of speakers might best be handled today because there is a considerable number of members who wish to enter the debate. Some proposals have been put which, it is the understanding of the Chair, may be convenient and suitable to members of all parties, and if that is the case I would seek the unanimous consent of the House to proceed in that fashion.

The elements of the understanding appear to be that, while ordinarily the next speaker would not enjoy the 30 minutes given to the first two speakers, in fact the House might agree to give the Conservative spokesman, the hon. member for Provencher (Mr. Epp), 30 minutes in which to speak.

The second element of the understanding is that speeches after eight o'clock this evening would be limited to 15 minutes for each hon. member.

The third element, if I might call it that, of the understanding is that it is hoped that this order of business would produce a capacity to have speeches from four members of the New Democratic Party, five of the Conservative party and possibly—perhaps likely—five of the Liberal party.

If there are hon. members who want to expand on that, that is fine, at the cost of some problem with the amount of time which may be available generally. However, as soon as it appears appropriate the Chair will seek the unanimous consent of the House to proceed in that fashion.

Mr. Nielsen: Mr. Speaker, the elements you have outlined are accurate and agreeable to this side, and by my calculations, if we adhere to those time limitations, the Liberal party will have five speakers, we will have five speakers and the NDP will have four speakers. We are proceeding on that firm understanding.

Mr. Nystrom: Mr. Speaker, I just want to say that our understanding is what you have said from the chair, that if need be the hon. member for Provencher (Mr. Epp) could have 30 minutes. After eight o'clock the time will be reduced to 15 minutes per speaker; we will get four, the Conservatives will get five and the Liberals will get five.

Mr. Evans: Mr. Speaker, I wonder if I might make a suggestion. I know that this has not been cleared with the House Leaders on either side, but in view of the number of people who might want to speak on this very important issue, perhaps it might be appropriate to reduce the time limit after eight o'clock to ten minutes rather than 15 to allow more members to speak.

Mr. Nielsen: No.

Mr. Malone: You may do that voluntarily, though.

The Acting Speaker (Mr. Blaker): The impression I have, with respect to the last suggestion made by the hon. parliamentary secretary, is that he might find the agreement of the House if it were proposed that the speeches were in fact kept to 15 minutes rather than ten, because I did hear some objection to the reduction to ten.

I will now seek the consent of the House. Is it agreed that after eight o'clock this evening speeches shall be limited to 15 minutes, without exception?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is so ordered.

• (1630)

Hon. Jake Epp (Provencher): Mr. Speaker, I welcome the opportunity to participate in the debate. I want to say at the outset that the official opposition fully endorses the two elements of the motion before the House this afternoon.

The citizens of Quebec have spoken clearly and expressed their desire to remain in Canada. For many the referendum was an experience in which they shared very deeply. But the outpouring of emotion was not restricted to the citizens of Quebec. Across Canada Canadians have expressed relief and gratitude at the results, which were a clear demonstration that the break-up of Canada was not to proceed, that sovereignty-association was not an option that we would consider.

Now that the referendum is over, it is imperative that Canadians from all parts of the country have an opportunity to

participate in the changes that must take place. As Canadians, first, we must recognize that we are among the most fortunate countries of the world. Yes, we have problems; yes, changes must be made in our institutions; but let us never forget that as a nation we have advantages. We have been blessed beyond the dreams of those who in the 1860s gave form to our country.

Second, we must remember that confederation has not failed. During the past 113 years our country has developed into a modern society, a society which is conscious of its minorities, a society which gives everyone opportunities unequalled anywhere else in the world today.

There have been those who have argued that confederation does not and has not worked, those who have advocated that a province or a region would have a better future if it were on its own. Canadian history is replete with examples of politicians who have advocated the dismemberment of our country. Those politicians of division are still with us today, but they have never been able to convince the majority of Canadians, who have followed their own common sense, to follow their siren call for ending the Canadian experience. Often they were motivated by frustration or perceived injustice which they felt was perpetrated on their region or on their province. But never were Canadians willing to follow their proposition that our future would be better apart and that we should end the grand experiment called Canada.

The Fathers of Confederation grappled with attitudes and problems similar to those that face us today. Tension then, as today, existed between English and French-speaking Canadians, and even then between east and west. But I am reminded of the words of one of the Fathers of Confederation, George Étienne Cartier, when he said in 1865:

> Shall we be content to maintain a mere provincial existence, when by combining together we could become a great nation?

Surely that is the sentiment of every member of the House and also virtually every Canadian, that we are a great nation only because we have combined together in a common cause.

Just as in 1867 Canadian leaders saw the need and the advantage of joining together and forming a new nation, so also today that advantage has not changed. It is important, therefore, that we renew our dedication to the building of our country. Having said that, let me say that it is important that we grasp this moment of opportunity. The important question must be answered not by words but by action.

Many supporters of the No option were convinced to vote No because of the promise of the Prime Minister (Mr. Trudeau) and other federal leaders that constitutional change would become a priority. Additionally, a significant number of those who voted Yes were convinced that the only way in which constitutional change could take place was by voting Yes and delivering a shock to Ottawa to get on with the job.

Constitutional change should not be viewed by either the federal government or the provinces as an exercise where one has to give up or give in, but rather as an exercise in nation building. It does not have to be a win-lose confrontation. What is fundamental is the attitude that will be brought to the exercise.

In the past many of us have said that the Prime Minister has been inflexible in his approach to constitutional change. The attitude to adopt must be one which embraces openness and the willingness to see the other person's point of view. It is an attitude which cannot be dominated by a win-at-any-cost approach. Unfortunately, our history is littered with the debris of constitutional proposals and conferences which attempted to bring about constitutional renewal but were not successful because of the attitude of the participants. In the end, if people are not willing to change their attitudes, no matter which structures we anticipate, no matter what conferences we call, they will end in failure.

Speaking in the House yesterday, my leader said, in terms of attitude:

> More than the law and more than the constitution is at issue here. There must also be a positive attitude among citizens and among governments, an attitude which is consistent with the changes in law and the changes in form.

First of all, then, we must accept that the status quo as now understood is not acceptable. A genuine feeling exists that a new constitution is needed for Canada, a constitution in Canada which can be amended by Canadians.

It is for these reasons that it is important to reach out to those Quebeckers who voted and who wanted to see constitutional renewal. It is important that we do not reject those who, because of their frustration, voted Yes but who did not want to end the federalist experience.

Despite the euphoria and good will that have poured out throughout Canada and in this House since May 20, I believe that a word of caution must be expressed. Of course we want constitutional renewal, and the referendum vote should be interpreted exactly that way. But there is an inherent danger that we can create false expectations that constitutional renewal will be easy to achieve and that, once achieved, the structural problems will not give rise to new frustrations. We must also be cautious that we do not give the impression that constitutional change will end the differences and the divisions which have occurred in the past.

Second, it is important to stress that this desire for change is not only a Quebec phenomenon. My leader said in the House recently:

> May 20 was but a date in a continuing process. It is by no means an end but a beginning, and now it is up to us in this Parliament and in the parliament of the territories and the provinces of Canada to implement changes which are being sought by Canadians all across this country.

We cannot make the mistake that only Quebec wants change. Nor can we fall into the trap that one region has more legitimate grievances than another. Just because certain regions have not chosen to have similar referendums does not indicate less determination to address and alleviate long-standing grievances.

So at this time of good will we also face a serious peril—a real threat that disappointment and anger can replace this good will if we fritter away our opportunities. All of us recognize how quickly good will can be replaced by anger and

accusations. We must avoid giving any comfort to the separatists, wherever they may be, to conduct our activities in such a way that the talks would not lead to new satisfactory arrangements. There are obviously people in this country who are hoping that these talks will end in failure. This cannot happen. The talks must be real and they must bear results.

Additionally, we must caution members of the House that results will not be achieved overnight. We can pass as many unanimous resolutions in the House as we want; these will not result in overnight change. It will also take more than a few months. While there may be advantages to setting target dates, I for one would caution members of the House that the setting of strict time limits by which renewals should occur has inherent dangers in it. There have been premiers, as well as members of this House, who have said that within two years a new constitutional renewal could take place. While targets are acceptable, I do not think we should be locked into those kinds of time frames.

● (1640)

Yesterday the Prime Minister, when speaking in this House, stated that a federal-provincial conference would be called in the near future for the purpose of discussing the future of Canada. While we welcomed this announcement, it is important that we note the manner in which these conferences have functioned in the past. They have provided a forum for leaders from all regions of Canada to meet and discuss the problems the country faces. This exchange of views has been beneficial.

But there is also an inherent weakness in this approach. For one, these conferences provide a forum in which to express grievances as well as to put forward points of view, but unfortunately too often they have not brought about resolution of conflicts. Some might say that this is a harsh judgment of the federal-provincial history of this country, but a study of that history will show many of these conferences failed. While the participants were well-meaning, the legacy of the conferences did not result in the changes sought by the people. By their very nature the membership is composed of political leaders who must defend provincial or federal interests. Too often those interests have thwarted any compromise that could have broken the impasse.

Additionally, these conferences are composed of personalities, and often the personalities have been in conflict with other participants around the table. A reality of a democratic society is also that these participants from time to time face elections. They have to meet the people. That as well can result in positions taken which, through other circumstances, might not have been pressed as hard.

Yesterday in this House questions were asked of the government as to whether consideration was being given to expanding the format of constitutional conferences after the initial federal-provincial conference to be held later this year. My view is that consideration should be given to expanding the membership in these meetings into a broader-based constitutional meeting which would include political leaders other than the Prime Minister and the premiers. The hon. Leader of the Opposition (Mr. Clark), the hon. leader of the New Democratic Party (Mr. Broadbent), and for that matter elected leaders in the provinces, represent a large number of Canadians as well as regions which this government does not represent in this House.

I welcome the assurances of the Prime Minister to consult with the Leader of the Opposition with a view to exploring the possibility of expanding the format. As well, consideration should be given to including representation of groups in Canada that have a special interest in constitutional change. I think all of us know there are many of them and they seem to be increasing every day.

The suggestion of Premier Hatfield on the night of the referendum that a regular schedule of meetings be considered is a worth-while proposal. I think it would be advantageous to have regularly scheduled meetings rather than a target date by which constitutional renewal must take place.

One must ask the question: What do Canadians want in a new constitution? I believe many of the grievances we have heard in the past are not constitutional in nature but rather are due to frustration from governmental agencies, regulatory bodies and government in general not serving the interests of Canadians. For example, membership on many of these agencies does not reflect the regions and does not reflect the participation that the various members of those regions would like to give. If the federal government is interested in retaining the status quo, the bureaucracy with all its resources will reflect that attitude and will further frustrate Canadians.

There has been a difference of opinion between my leader and the present Prime Minister on the role the regions should play. Let it be clearly understood that my leader and this party have never stood for the dismantling of the federal government. Rather, we want to see it strengthened. We want a strong federal government that can address and resolve national issues; let there be no doubt about that. The reference of the Prime Minister of "Who speaks for Canada?" in my mind was a divisive attempt meant to reflect on my leader—that he was not interested in preserving national institutions. Nothing could be further from the truth. Rather it was a recognition by my leader and our party that strong regions contribute to a stronger country. Strong regions are not a threat to Canada. A strong Atlantic Canada with strong economic bases is of advantage to all of us. A strong western Canada, building on its resources and its agricultural base, is of benefit to all and should be recognized as such.

During this debate other members of my party will address the issue of constitutional renewal from the perspective of their constituents and their regions. I want to spend some time dealing with the views we hear expressed in western Canada.

Much has been said of the deep-seated resentment in western Canada. Let there be no doubt that the resentment toward the manner in which the federal government has ignored western Canada runs very deeply. It is not an accident that the government does not enjoy representation west of Winnipeg. How many members of Parliament from western Canada have stood in this House, from one Parliament to the next, and read

the history or litany of grievances which we experience in western Canada? I do not have to repeat them; everybody knows them. But it is important that we recognize that those grievances are legitimate. They are as legitimate as the aspirations of the people of any other region of Canada.

For example, only recently there were promises made during the election campaign, promises that were changed, promises that were called into doubt or promises that were cancelled. It is that attitude which has resulted in the alienation we now feel.

But underlying specifics such as provincial control over resources, lack of secondary industry, or the loss of comparative or competitive advantage in the western freight rates, there is a deeper feeling of grievance. It is, that expressions of our aspirations, the grievances we have had in the past, have been interpreted in this House and in federal institutions as not being as valid as the grievances of other areas. I stand in this House not simply as a representative of western Canada. I stand here as a representative in the federal House of Canada. Let there be no mistake about it: we cannot nor will we accept that the points we want to make and the building to which we want to contribute should in any way be lessened because we come from western Canada, or that our grievances are not valid today because they have been repeated so often. It is important to remember that the west wants to grow, but it does not want to grow at the expense of Ontario or any other part of Canada. Rather we see our growth as benefiting the entire country. Western Canadians share the view that federalism is based upon the concept of sharing. We want to do our part and we will do our part. I ask this government to change its ways, not to hold us back or be less interested in us than other regions.

● (1650)

I want to spend some time in consideration of Canadians whose background is neither French nor English. It must be clearly understood that Canadians who are recent immigrants, or who have been here for a few generations first and foremost want to be Canadians. The referendum period for them, even though they did not live in Quebec, was traumatic because many of them had come to Canada to escape deep-seated and long-standing animosities in their homelands. They came here because they wanted stability. Too often they had been forced to leave because basic human rights in their homelands had been violated, or radical changes either in government or in their boundaries had taken place. These people look upon constitutional renewal as a strengthening of our federal system to create stability and the preservation of human rights.

The Prime Minister has stated his determination to enshrine a bill of rights in the constitution. He mentioned that in the House yesterday as well. It is my view that no greater contribution could be made by the Prime Minister to those Canadians of whom I have just spoken than incorporating the bill of rights of the Right Hon. John G. Diefenbaker into the new constitution.

Some hon. Members: Hear, hear!

Mr. Epp: During the time when I had responsibilities as minister of Indian affairs and northern development I became acutely aware of another region of Canada that is too often left out of the mainstream of Canadian life, and I speak of the two Canadian territories. The north also wants to be part of this renewal in Canada. The north is an awakening giant, an area which gives us an opportunity to be nation builders. When one takes a look at the various countries of the world one sees that Canada is one of the few that has a frontier where we can still build as a nation.

Residents of the north, be they native or white, want to be Canadians first. They do not want to be colonists of the federal government. The time has long passed when commissioners can be appointed to make decisions without regard to the residents or their representatives. The north will develop institutions that are similar to ours, but they will be modified to reflect the native population and the special conditions that exist north of 60.

Another contribution this House could make, and we as members of it, is that we not stand in the way of native people and residents of the north by deciding for them what is best from the view of those of us in the south.

I face the future of Canada with great optimism. A country is more than a constitution and it is more than its institutions; it is a feeling, it is one of belonging and it is personal.

Speaking personally, if I could for just a minute, I had been in Quebec City a number of times prior to when the right hon. former prime minister asked me to serve in his cabinet. We had a cabinet meeting in Quebec City. That was the first time it was impressed upon me that I, as the son of an immigrant, was able to be in that part of Canada and look at the shores of the St. Lawrence River where my father had landed 50 years before without any future other than the hope this country gave him, and to realize 50 years later that this country had given me an opportunity to serve.

There are opportunities that this country gives each of us in a unique way. I am filled with hope that we will grasp the opportunity that awaits us. This is a growing country, a young country and a country that is facing change; but our future must be one of a united nation, from sea to sea and from our border to the Arctic.

Mr. Rod Murphy (Churchill): Mr. Speaker, I too welcomed the decision of the people of Quebec to vote No in the referendum on Tuesday. This was a result which indicated a love for Canada and a faith in this nation on the part of the residents of that region. The good will felt by the rest of Canada toward Quebec as a consequence of this decision provides an opportunity to make real progress in the next round of constitutional talks.

This opportunity is also a challenge, because if we do not make significant headway now the negative feelings the previous speaker mentioned, which are real, and the feeling of hopelessness on constitutional talks, will be felt not only by the Québécois but by all Canadians. There is presently a hope in our ability to overcome the obstacles which have created

roadblocks in the past and that we now must meet in order to face the challenge we have as a nation.

We face more than one challenge, and we must be clear about that. Constitutional talks do not deal with just the Quebec issue, although naturally recent events have tended to focus on that particular problem which we face as a country. There are other issues: Native people were not involved in the formulation of the original BNA Act or amendments that have since come into place. They now wish to have full participation in discussions which will affect their future as well. We cannot straitjacket ourselves or our country by believing that we will solve all the problems of all the people of Canada by discussions among 11 men. Constitutional change in Canada must include participation by native Canadians. They are too often left out of any constitutional discussions and considerations by government.

Fortunately, recent federal governments, both Liberal and Conservative, have realized that the aspirations of native people within Canada must be taken seriously. Unfortunately, recent governments have not come to any conclusion about the exact nature of the role of native people at the discussion tables.

It was just a little over ten years ago that the then Liberal federal government concluded that the best way to deal with native problems and native aspirations was by a mainstreaming approach, by an assimilating approach. If I may refer to a Liberal policy paper at that time, the so-called "Chrétien white paper" of 1969, it said that all these conditions of the Indians are the product of history and have nothing to do with their abilities and capabilities. Indian relations with other Canadians began with special treatment by government and society, and special treatment has been the rule since Europeans first settled in Canada. Special treatment has made the Indians a community disadvantaged and apart. Obviously the course of history must be changed. Just ten years ago that was the policy of the Canadian government.

In the short run what they were saying was that the Indian Act, enacted under the authority of section 91 of the British North America Act, should be repealed, and in the long run that the policy of the federal government implied that ultimately any specific references to Indians must be removed. That approach would have meant that the native people would have no role in constitutional talks had they taken place ten years ago. Today, ten years later, the federal government does realize that exclusion will not mean positive change for native people. What it has not figured out is just how native people will be consulted in the constitutional talks.

● (1700)

In his speech last month to the national conference of Indian chiefs and elders, the Prime Minister (Mr. Trudeau) promised that his government would be working closely with Indian representatives in any reform of the Canadian constitution. The fact is that the Prime Minister's remarks could have as easily referred to any single Canadian or any other group within our society. It is not our business to rank the various social and ethnic groups in order of their capacity or their status at the negotiating table, but at the very least we will have to recognize that Canada's native people are Canada's original residents and are, therefore, entitled to full participation in any constitutional talks.

The Prime Minister's remarks last month have, quite frankly, proven unacceptable to the native people of this country. The New Democratic Party recognizes that this country's obligations to some of its native people are written in the treaties, but that those treaty rights are not there for the Inuit or the Metis people of this country. Aboriginal rights, such as those pertaining to hunting, fishing and land use, are well documented but they are not accepted by many Canadians. The current land claims negotiations have a grounding in historic precedent and in law but are not showing any progress.

Therefore, it is certain that the fairest and most just way of recognizing Indian input is not by excluding them from participating or by hoping that the problems will melt away, as suggested in the white paper. Instead, native participation must be full and ongoing in future negotiations.

We are all partners in confederation, and if our obligations to Canada's original people are not made clear in constitutional talks, then confederation will be a misnomer for native people. I would hope that in his trip across the nation to meet with the provincial leaders, the Minister of Justice (Mr. Chrétien) will also meet with representatives of the native people of Canada.

Northern residents are also concerned about the future of this country. Northern residents in this vast country have expectations about their role in constitutional change. Residents of the territories, both white and native, cannot be excluded from determinations that affect their future. To do that would be a denial of the principle of self-determination, that somehow others will express the concerns of northerners without being elected representatives of the people living in those regions. Northern residents in the territories, as in the northern regions of most provinces, have concerns that must be addressed in any constitutional changes. Decisions regarding how economic development will take place should not be left to those living elsewhere in Canada or, worse, to those living outside our borders.

In addition, just as the railway to the Pacific was a condition before British Columbia would enter confederation, we must provide certain initiatives, such as equalized freight rates and guaranteed medical services, to enable northerners to be part of the economic growth of our country and to benefit from those social services which we believe all Canadians are entitled to as a basic minimum standard. Such social services are sadly lacking in many northern communities and are a disgrace in light of our relative affluence as a nation. This is a serious problem. There are other serious problems which can be resolved or at least partly resolved as a result of constitutional talks.

Another problem which we face is in the area of regional disparity. Regional disparity is a serious challenge to the unity of this country. If we are able to continue living together in a

confederation and if we are to consider ourselves a united composite of different regions, we will have to recognize that serious regional disparities are there and that we must do something about them. These disparities are nothing less than a product of a century of patchwork economic development in this country. They are representative of a lack of a national policy and planning that is based on our resources.

The examples of regional disparity are many. The northern part of this country has been the site of resource extraction with little planning and with little benefit to the residents of those regions. If we are to live together in this community of Canada, we must begin to place development in the north in its proper perspective. It must be development not just for the sake of development. It must be development not just for the sake of the south and central parts of Canada, but development which is also for the sake of the north. Inevitably this will mean that some development will not take place because it would be detrimental to the north and its inhabitants. Sometimes we will find that certain developments should take place that will be of social and economic benefit to the northern regions, but that they will need the assistance of the provinces, the territories and the federal government in order to bring about that development.

In other parts of the country there are also regional disparities. The Atlantic provinces have traditionally been an area where regional disparity has hurt the unity of this nation. A specific example there can be found in the industrial Cape Breton area where the Sydney Steel Corporation plant is not operating at the capacity of which it is capable. The province of Nova Scotia alone cannot provide the input to ensure that jobs are protected and that the Sysco plant is modernized. This requires federal government assistance. So far the federal government has been reluctant to keep its part of the bargain. In order to prevent an economic downturn in Cape Breton which would isolate it from the well-being of Canada, the provincial and federal governments must work together.

Any changes in the framework of our constitution must allow for provincial and federal projects to overcome present regional disparity. Changes in our constitution cannot be allowed if they result in the federal government being too weak or too impoverished to assist in the development of the entire nation. After all, the federal-provincial conferences of the past have not really produced the results for which we have asked. It has been a long process which has been very difficult and frustrating for many Canadians.

I would question whether or not we really knew what we wanted in our constitution over this past decade. Are we simply to move some items from section 91 to section 92 and back again? Are we simply to make cosmetic changes that will create an illusion of progress? Or are we to have a constitution that will soothe the various wounds that open from time to time in this country, or is the constitution to be a foundation for creating the type of Canada that we want for ourselves and for future generations?

Of course, we hope that we will accept the latter choice, for if we do we will not only avoid the pitfalls of continuous tinkering with a delicate instrument like the constitution, but we will also be able to use our energies to build a nation in which we will all be able to exercise our cultural and economic goals. In this respect I would like to remind hon. members that historically what has been called English Canada has always been a generation behind French Canadians in determining its own aspirations.

At the beginning of this century Henri Bourassa, as an MP in this House, rose to call for a Canadian identity. He was rebuked by those who wished to remain part of the British Empire. Twenty years later we accepted the wisdom of Bourassa's remarks. When Quebec premiers called out for the strengthening of the role of the provinces within confederation, the rest of the country ignored them and was appalled at the thought. A generation later we heard the same call coming from each and every region of this country. In the sixties when Quebec was asking to be *maître chez nous* or master of their own destiny, the rest of Canada was accepting increased foreign control of our resources, our industry and our future. It has ofter been said that Quebec wants too much independence and that English Canada wants none. We are now in the 1980s and another generation has passed by. It is time for all Canadians to be asking to be masters of their own destiny.

How we resolve the Quebec issue and the other problems that we face, not only the answers that we arrive at but the process which we go through, can be an example to others in this world. The referendum held on Tuesday with its unique approach and its peaceful progress was historic in a world where such decisions are usually made through use of the bayonet. Where we go from here will be of importance in history.

• (1710)

In closing, Mr. Speaker, I should like to thank my party leader for suggesting that we use our opposition day—which is normally an opportunity to score political points—in a non-partisan manner to give members of the House an opportunity to discuss this important issue.

In a similar way I hope that the Prime Minister and the premiers will realize that 11 people cannot answer all the questions that the nation must ask of itself. With that in mind I would encourage the first ministers to take the approach suggested by the leader of my party yesterday and form delegations that are non-partisan in approach and membership to discuss future constitutional action. The need for this was made very obvious in the House this afternoon. The first three speakers from the opposition all represented western ridings while the government speakers represented eastern ridings. That is a result of the composition of this House.

The mood of the country is open to changes in the constitution, especially after the decision of Tuesday night. This openness to change, however, might well dissipate if all points of view are not aired in an open and non-partisan manner. The only way to decide our future, Mr. Speaker, is to work at it together.

Constitutional Change

Mr. Peter Lang (Kitchener): Mr. Speaker, I should like to begin this speech, which is the first opportunity I have had to address this House at length, by extending my warmest congratulations to Madam Speaker on her election to the very important office she now holds.

As a new member of Parliament I am honoured to be a participant in a debate on constitutional reform.

I believe it is customary, Mr. Speaker, for a newly elected member to share with the House a few observations about the nature of the riding he or she represents. In describing Kitchener, I cannot help but feel a very deep sense of pride in the history and accomplishments of the city I grew up in. I also feel a strong sense of responsibility, as the voters of Kitchener have placed a trust in me to voice their concerns and make a contribution on their behalf to this Parliament.

Kitchener in many ways is a microcosm of Canada—a cultural kaleidoscope of the Canadian experience. Many people associate my riding with Canadians of German descent. They comprise 32 per cent of our city's population. Oktoberfest, for which our city is now famous, rivals its predecessor in Munich. People of Irish, English and Scottish extraction comprise 45 per cent of my constituents. Twenty three per cent of Kitchener's residents are largely those whose ancestry is French, Polish, Dutch, Italian, Portuguese, Ukrainian, Chinese, Japanese, East and West Indian, Ugandan, Pakistani and Lebanese. Most recently, Mr. Speaker, Kitchener was fortunate enough to be able to welcome 1500 Indo-Chinese refugees who were brought over through the efforts of privately sponsored groups in the Kitchener area. These refugees have much in common with the German Mennonite settlers who arrived in the Kitchener area from Pennsylvania in 1800. As pioneers, they brought with them the technical skills and traditions of their homeland. They set in motion an intermingling of cultures and ideas that is still evolving 180 years later.

Mr. Speaker, the community spirit and sense of social concern, expressed in sponsoring the Indo-Chinese refugees is a recent example of the numerous and varied voluntary efforts and organizations that exist in Kitchener. Some of these are: the regional branches of the Canadian Cancer Society, the Canadian Heart Foundation, the Canadian Mental Health Association, the Rotary Club, the Kinsmen, the Knights of Columbus, and numerous other church and social organizations.

The multicultural centre provides a focal point through which the many ethnic groups of the area can enjoy each other's heritage. The Kitchener-Waterloo folk arts festival, which is an example of this, is being held this June and I am looking forward to attending.

The people of Kitchener, Mr. Speaker, are an open-minded citizenry. They are also very industrious and resourceful. From its austere beginnings with a few hundred settlers, Kitchener is now a thriving and prosperous industrial centre with a population of 135,000. There are 314 manufacturing plants and a total work force of 75,000. The female labour force is 45 per cent of the total, well above the national average. So as you can see, Mr. Speaker, both men and women pull their weight in the economic enterprises of Kitchener.

Just as a footnote to that, Mr. Speaker, it is interesting to be aware that the chances are better than average that on a daily basis the members of this House and the people of Canada own, use, or consume products manufactured in my riding. Some of the national industries located in Kitchener include Electrohome, BF Goodrich, Uniroyal, Schneiders, Greb Shoes, Krug Furniture and Budd Automotive.

Mr. Speaker, I should now like to focus more directly on the issues of national unity, the referendum and constitutional reform leading to a renewed federalism. As the member of Parliament for Kitchener, I feel very strongly about the mosaic that is Canada, and the different groups which over the years have made our country unique. The cultural mix of my riding spans virtually every corner of the globe. Interaction between French, English and other cultures makes us that much more complete as a people. However, Mr. Speaker, Canada is at a critical point in its history. Throughout the nation there are forces driving us apart, rather than bringing us together. In Atlantic Canada the promise of large oil reserves has led to controversy between the provinces and the federal government. In Ontario there are many who are fearful and resentful that the hold Ontario has exercised as the economic leader is slipping away.

In the west alienation in British Columbia has increased. In the prairie provinces, and particularly Alberta, there is talk in some quarters of separation. My unshakeable conviction is that the status quo, symbolized by the British North America Act, is no longer an option in Quebec and no longer an option in Ontario or in any of the provinces. The decision in favour of fundamental change has already been made, brought about by the dynamics of Quebec society since the "Quiet Revolution" of the 1960s, and crystallized in the results of the referendum vote on Tuesday.

The people of Quebec have stated that they wish to remain in Canada, but they do so based on certain assumptions about the rest of Canada. One of these assumptions is that the government and people in the rest of Canada recognize and understand the consensus in Quebec and that there must be fundamental alterations in the constitution.

A second assumption, Mr. Speaker, is that those of us who live outside Quebec will be willing to work with Quebeckers to build the structure of a new Canada, and more broadly, Mr. Speaker, that all Canadians, no matter in what region or province, will co-operate to build the structure of a new Canada.

A third assumption, Mr. Speaker, is that this constitutional reform will not be postponed indefinitely in a fog of words, procedural delays and competing priorities.

These assumptions indicate that the people in Quebec are reaching out in confidence and trust to the people in the rest of Canada. Thus, Mr. Speaker, you can understand why the response of English-speaking Canada to the federalist option of the beige paper is extremely important. Quebeckers have

taken a leap of faith by voting No, and voting Yes to Canada. They must be given the assurance that their own eagerness for change will not be met with sullen dedication to the status quo.

Constitution-making is never easy. It is usually impossible except as a result of pressures caused by war or revolution. Because of this, for the rest of us to give the necessary assurances to the people of Quebec also requires us to make a leap of faith—faith that Canadian moderation, good sense and willingness to compromise can lead to success. By giving these assurances, we commit ourselves to the difficult task of hammering out a new constitution. That constitution must reflect more completely the diversity and complexity of modern Canadian society. It must also be capable of handling the external challenges of a world in turmoil, as well as the internal social and economic pressures which Canada and Canadians will face in the years ahead.

● (1720)

Whatever the risks of acting boldly and decisively, the dangers to Canada of doing nothing are far greater. We must not succumb, Mr. Speaker, to lassitude and apathy merely because of the magnitude of the task and the failure to achieve consensus on important issues at past federal-provincial conferences.

I say this for three reasons. First, I believe that we are nearing a pivotal period in Canadian history when the demands for change from Quebec will be met with a wave of dissatisfaction with the existing arrangements in other parts of the country. The impending clashes between Ottawa and Alberta this year, and probably later with Newfoundland and Nova Scotia, will certainly highlight serious constitutional and economic issues.

Second, the years ahead are years when unprecedented external geopolitical and economic pressures will make abundantly clear to all participants the indispensable role which the federal government must continue to play.

Third, the approach to constitutional reform in the 1980s will be to consider a package, rather than a piecemeal series of patches to the old arrangements. We will not be attempting to put new wine in old bottles. This should make possible hard negotiations as well as the accommodations and compromises which will be essential if success is to be achieved. We will not be starting cold. In fact, a great deal of work has already been done by various governments and interprovincial committees. Most provincial governments have published statements in favour of change.

In that the people of Quebec have taken the initial risks and committed themselves to Canada first, I believe it is appropriate, as a start to constitutional reform, to examine the issue from Quebec's perspective first as presented in Mr. Ryan's beige paper. This is a start, and obviously all provincial governments will be involved as will all the people of Canada. Constitutional reform will affect the daily lives of all Canadians and, as such, all Canadians must have a meaningful voice in its construction.

For years many Canadians have been asking, what does Quebec want? There could be no clearer statement than the one contained in the beige paper. This document is generous in spirit, civilized in tone, and is addressed to all Canadians. It recognizes the need for a strong central government. It invites comment from all Canadians.

The beige paper identifies 13 fundamental objectives, and then outlines a structure consistent with these goals. These objectives or principles form a key element in any future constitutional discussion. They should become familiar to all Canadians.

The first is to provide Canada with a constitution which is both modern and Canadian. The authors of the paper attach great importance to the symbolism of Canadians themselves—not the parliament of Great Britain—collectively and solemnly affirming the commitments and structures on which Canadian political life will be based in the years ahead.

Five principles are concerned with human rights. One involves a declaration of the equality of the two distinctive societies which give this country its unique place in the family of nations. This goal involves both linguistic rights and guarantees to Quebec which will enable it to maintain its unique personality despite the pressures arising from its position in North America.

This group of principles would also require the entrenchment in the constitution of the rights and liberties of individual Canadians. The fundamental rights of the first inhabitants of this country, the Indians and the Inuit, are specifically recognized, as are the preservation and development of the rich cultural heritages of the many multicultural groups of Canada. Equality of opportunity for all Canadians is emphasized, with a strong federal role in the redistribution of wealth to ensure the reality of this promise.

Two principles outline the commitment to the federal system. Two orders of government will continue, each sovereign in its area of jurisdiction. A specific pledge is made to guarantee the free circulation of individuals, goods and capital to all parts of the country, and a system of laws protecting the fundamental equality of all citizens. While an intergovernmental body is proposed to permit participation by the provinces in the government of federation, the beige paper explicitly states that the central government must be, and I quote:

—strong enough to serve the whole country in the face of whatever new challenges the modern world presents, whether internally or externally.

Five principles are concerned with the need for strong provinces, to ensure the development of their distinctive human and physical resources. The beige paper calls for clear definitions of the responsibilities of the two levels of government. Because Canada is so large and diverse, the beige paper opposes ad hoc extensions of federal powers and advocates a formal system for arbitrating constitutional disputes which clearly recognizes the duality and plurality of our population.

There is also need for explicit recognition of the provinces' role in international relations in areas under their jurisdiction within the framework of foreign policy.

Canada can never be a unitary state. Indeed, the forces at work in the last two decades have underlined its diversity and the need for a new approach which will underpin and build upon that diversity.

The beige paper provides all Canadians with an outline of a new federal system which accepts the fact that Canadians must find their unity in their diversity. It also defines the institutions and division of powers such a new federal system requires. Few will accept this outline in every detail. I do not. I think it should be questioned. Much sharp discussion and hard negotiation can be anticipated. In particular, finding a balance between decentralization and maintenance of an effective federal government will not be easy, but carried on in the spirit in which the beige paper was written, such negotiations give promise not of failure but of success.

Indeed, at a recent symposium held at York, Mr. Thomas Wells, the Conservative minister of intergovernmental affairs, accepted the 13 principles underlying the beige paper, declared that the Ontario government favours comprehensive constitutional changes, and stated:

> We regard the Quebec Liberal party proposals as a reasonable and constructive basis on which to negotiate new constitutional arrangements for Canada.

The authors of the beige paper, as reasonable people, have addressed their thoughts and concerns to other Canadians. They ask us to recognize the problems which they see in our current constitutional arrangements and to undertake with them the great task of achieving change which will be acceptable to all, to achieve, in Mr. Wells' words, "a genuine national reconciliation."

In conclusion, I suggest, Mr. Speaker, that achieving this without violence or bloodshed will further enhance Canada's reputation as a great country, a nation to be modelled after.

Hon. David Crombie (Rosedale): Mr. Speaker, I am pleased to have the opportunity to intervene today with respect to the motion involving constitutional reform. I might say that undertaking constitutional reform involves something which takes a much longer time than not only a modest afternoon but indeed the next few years that have been allotted for it.

I hope I do not sound a note of pessimism—that is not my intention—if I suggest to you that I think the next few years are going to find constitutional reform important but probably of secondary nature. It seems to me that as we look at constitutional reform we will have to go through a much more fundamental process, and it is that fundamental process to which I would like to direct my remarks today.

I think part of the difficulty we have had over many years is the inability to understand who we are and where we would like to go. I have some considerable mistrust in constitutions. I have noted, and I am sure other members have, in the history of this century at any rate, that some of the most democratic constitutions, constitutions which had the most intensive language with respect to human, civil, cultural and linguistic rights, are those that exist in countries which have the most oppressive governments. I meant what I said and I hope it is not a note of pessimism.

• (1730)

The principles which the hon. member for Kitchener (Mr. Lang) and others have mentioned must be based on something and I think they are based on certain realities, or ought to be based on certain realities about this country. I think there are probably some considerable difficulties for us, Mr. Speaker, as we attempt to determine what the fundamental realities of Canada are, because we have spent so long in making sure we don't know very much about the country. We have spent a long time and worked very hard in denying our own history, in, to put it another way, not paying enough attention, and in taking the country for granted.

I think the three fundamental realities of this country are going to dominate the next ten years and that is why I suggest that, over the next ten years, the idea of Canada, not the Constitution of Canada, is going to be the most important thing to address ourselves to.

Let me deal with the first of those realities as I see them, Mr. Speaker. I think that any stranger happening upon this land would come up with the first reality fairly easily. We are known best, and we know ourselves best, by our parts—by the parts of the country. Many speakers today have talked about regionalism. They have talked about their particular provinces. I think I could go from coast to coast and, like other members of this House who have had the opportunity to travel, I could take you to towns, cities, villages and neighbourhoods in Newfoundland right through to British Columbia, and in every one of those towns, cities, villages and neighbourhoods you will find the same instinct. People in St. John's, Newfoundland, think that that is the best place to live.

Mr. McGrath: It is the centre of the universe!

Mr. Crombie: My hon. friend from St. John's East says it is the centre of the universe. It may be surprising to a number of hon. members present to know that there are people in Toronto who think that that is the best place to live.

An hon. Member: Shame!

An hon. Member: Oh!

Mr. Crombie: The hon. member says "Shame" but I do not accept that. I was in Timmins a year ago, on Boxing Day. It was 40 below, but the people there think the only place to live is in Timmins. And everybody in Victoria knows that the rest of the country is lining up to get in.

Some hon. Members: Oh, oh!

Mr. Crombie: So, I could go from coast to coast, Mr. Speaker, and in each province, each city, town and village, and in each neighbourhood, the people know that that is the place to live. Regionalism in this country is a state of mind, one which is founded on geographical location, and it is rooted in an historical experience. That is why regionalism is so strong in this country. It is an historical experience and it is a geographical reality. That is why it is not an aggravation, why it is not a fly in another person's ointment. It is not an

imperfection because the regionalism from which we come, the towns, the cities, the villages and neighbourhoods—I mention neighbourhoods only because in large cities one tends to identify with neighbourhoods—is real, authentic and necessary. It is from those areas that we get a sense of identity about who we are. It is in those areas where we have more control, in fact, over who we are and the ability to better ourselves and raise our children in value systems in which we can have a strong involvement.

The values which affect people most are those which come from small places. Countries other than ours which have large populations and small territory know the only way in which you can organize human nature is by having a strong value system and, as I say, that usually comes from small places. That is the first reality I see, Mr. Speaker, about this country. We are known by its parts and we have a regionalism which is enduring because it is authentic.

The second reality that I see is the opposite of the first. If regionalism is the first reality, then the second reality is the opposite of that. It takes the whole string of communities that the hon. member from Saskatchewan mentioned earlier, and binds them together. It is the opposite. Because the reality which organizes us best and determines that we are Canadians exists, I think, in the physical land itself. Most countries have something which defines them and tells them who they have been and who they are going to be. In some countries it is their art, in some countries it is the legislature, in some countries it is the military power, in some countries it may be the history, as in the United States, but in this country I think it is the physical aspect of the land itself.

I could take any member of this House on a boat, on a train, plane or bike, or we could walk it, to any part of this country. After they got off they would feel enormous pride about it. But they would feel something deeper. What they would feel, I think, is that the sense of Canada that they know is given to them from the land. Indeed, most of our historians have tried to explain to us—whether it is Lower or Creighton, Morton, Shortt, Harold Innis—that the fundamental reality of the country which takes us beyond our particular is the land itself.

This country in the past 20 years or so seems to have accepted the view that we are here in spite of geography and in spite of history. It is, indeed, the opposite. This country is here because of its geography and because of its history. I am reminded of the thesis, Mr. Speaker, of Harold Innis that this country takes on the configuration of the fur trade. All those towns and the building of each staple product as it came, exist because of geography and not in spite of it. It is interesting too, if you look at the lives of most of our historians. They had an intimate relationship with the land in personal terms. If you read Lower in his "Colony to Nation"—he was the most lyrical of our historians—his sense of the bush and his need to go canoeing, like the Prime Minister (Mr. Trudeau), is part of it. It is a sense of having to renew with the land. I don't think we should misunderstand what that means to us. It has animated every aspect of our life, not only our historians.

Take also the art which has endured. The Group of Seven and Tom Thomson in this country have endured because they reflected the land, and this is the message which comes from the paintings of the Group of Seven and from Tom Thomson. Interestingly enough there are no people in the art of the Group of Seven or of Tom Thomson, and there are no people in Donald Creighton's artistry with history in this country because they were reflecting the land. If you look at that art it is rugged, it has colour to it, and it is eternal. And that is where the strength comes from. I think that is also true of the music of this country. I do not know whether I should mention Gilles Vignault, but I think it is all right.

Some hon. Members: Why not?

Mr. Crombie: If you listen to his music you find that music tells you about the land. In 1962 when Monique Leyrac, as reported in the French press but not the English press, won an international award in Hungary singing Vignault songs, those three songs were about the land.

• (1740)

When Gordon Lightfoot sings, he sings about the Canadian railway trilogy. We know that is the land. For the maritimers present let me mention Stompin' Tom Connors. The best song Stompin' Tom Connors ever wrote was not about the maritimes but, indeed, about another town in Ontario. If you have ever picked tobacco, you know something about hard work, and he wrote a song called "Tillsonburg". "My back still aches when I hear that word".

An hon. Member: Don't forget the "Squid-jiggin' Ground".

Mr. Crombie: I will leave that to the hon. member who follows me. I could use the squid-jiggin' ground. I have only 20 minutes; the hon. member can sing his own songs.

It is also true in sport. There are some people who think that hockey was invented, if not by Harold Ballard, then by Allan Eagleson. Hockey was not invented by either one of those people. It was invented by the frozen ponds in the land of this country. Maybe they should put some of the money back into it.

If you go down to New York to visit the United Nations building and look at all the flags of all the countries represented in that body, those flags represent either the history or the ideology, or both, of the countries they represent; all except one—ours. It is a leaf, and it reflects the land.

So the second reality in our constitution building is recognizing that the geography and the land and our response to that land will always be there. No matter what politicians and other people say, that is what unites us.

Some hon. Members: Hear, hear!

Mr. Crombie: The third reality which I would like to mention and one which I wish I could spend some time on, because we have spent so little time on it, is our traditions. I have been impressed with the desire on the part of all hon.

members of the House, and, indeed, all commentators, people interviewed on sidewalks, on television on radio and so forth, for a new constitution. Constitutions do not happen every two weeks. Every time we have a new thought, we do not build a new constitution. Constitutions are not merely a reflection of a particular generation. Constitutions reflect past generations and the values they engender, as well as current values, and as well as our hopes for future values, and I think it is that aspect that is worth mentioning. This third reality is the traditions of this country. They are good traditions; they are not bad traditions. Traditions are collective memories.

The licence plates of the province of Quebec used to say "La belle province". Now they say "je me souviens", "I remember". That is right; we should remember. The collective memories of this country are worth remembering as we build a new constitution.

This country has been a monarchy since Louis XIV. It is not fashionable to mention the monarchy, I think, but I do so because I was impressed some years ago when I read a book called "Freedom wears a Crown" by John Farthin. Farthin pointed out that the reality is not the royal family or whatever affection we have for the lady who is the Queen or the man who is the King at a particular time. The reality of the monarchy is the Crown, and from 1864 to 1867 in all of the discussions in the confederation debates the reason we did not have fundamental discussions about fundamental human rights and civil liberties of any significance or account was because they were assumed. They were built by generations, and the Crown reflects the civil liberties you have, Mr. Speaker, and that I have, and that my children will have. Whatever one wants to do in the future in this country with the monarchy, let us not confuse it with the significance of the Crown.

Some hon. Members: Hear, hear!

Mr. Crombie: I was going to mention female athletes as another tradition—1928 was a good year for female athletes—but I will not get into that.

I think the most fundamental tradition in this country is one for which we are involved in no small enterprise because of the first reality of our particularisms. There are over 3,000 miles from one sea to another, and because of the second reality of the strength of the land itself, we are involved in what Parmenides wrote about. I hope I have that right. The Greek scholars here can correct me if I am wrong, but I read something by him which struck me. Parmenides said that the riddle mankind has—and it struck me that that is our riddle—is the riddle of the multiple and the One. He said:

> Is the One alone real and the multiple merely illusion? Is the multiple alone real so that the world is irremediably and irreducibly pluralistic at its core? Is the world a gigantic process consisting in the unification of a multiplicity destined to be brought into a higher unity with the One?

That is pretty heavy stuff. Hon. members might want to read that tomorrow. Some may want to take it home to Hamilton, but in a sense most of us have been talking about that today because our contribution to the ancient Greek riddle of the many and the One is the concept of federalism, and we do it better than anybody else in the world.

Canadians know more about it and have dealt with it longer than any other people. It has allowed us to have not just unity; it has allowed us to have more than unity. It has allowed us—not only the Europeans who came here but before the white man came here—to create. There were Indian confederacies. The federal principle has allowed us to take the first two realities and make them one, because what it has done is to allow that diversity and that unity to exist. That federal principle has guided us for centuries. We have had five constitutions under it, not one. There were constitutions in 1774, 1791, 1841, responsible government in 1849, and in 1867. We have amended the constitution on a number of occasions. That constitution and that federal principle have served us for a very long time. It has served us in good times and bad times and in war time and peace time.

That BNA Act is not a piece of paper that you chuck away.

Some hon. Members: Hear, hear!

Mr. Crombie: It has allowed us to do what we want to do. We can make things smaller or larger. It is a house of many mansions. We need only to decide what we would like to do with it, and it will serve us again. The federal principle requires only two things. First, it requires tolerance, and not tolerance which is based on assuming that we are all brothers. The American understanding of tolerance is to make sure that they can deal with their similarities. The Canadian way has been the opposite, out of necessity. We have to understand toleration by celebrating the differences, and it is the celebration of those differences which is the glory of the country.

The second thing it requires other than toleration is the constant need—and I got into trouble once before, so I will make it clear—to talk, discuss, and negotiate, because negotiation and discussion are the mother's milk of the federal system. Those who would argue that we should draw lines are also the people who end up shooting.

The federal principle will continue to serve us, and we will be able to continue to solve the riddle of the many and the One, as long as we not only exercise toleration by making sure those differences are appreciated and celebrated but also make sure that we understand the necessity of discussion and negotiation.

Mr. Speaker, it has been a pleasure for me to have the opportunity to speak on this matter.

Some hon. Members: Hear, hear!

• (1750)

[*Translation*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we are presently living in a crucial period of the history of our country. The problems we will have to solve are difficult and complex. As members of this Parliament, we must uphold and promote together the values which unite us. Naturally we will

not always be in agreement but, as Brown, Macdonald and Cartier, we will have to find a new formula for today's Canada. This formula will have to take into account the fundamental needs of our society, including understanding, in order to meet the challenge of tomorrow.

[*English*]

Mr. Speaker, that lets you know the extent of my use of both languages. I am going to keep trying, let me tell you.

I wanted to enter this debate today because I have given, like most hon. members, a lot of thought to the future of Canada. I have watched as the battle raged, rejoiced as the results became known, and felt both a sense of happiness and a sense of foreboding as I watched on television the final vote and the response to the recent referendum in the province of Quebec.

I think we must all be careful because something in excess of 40 per cent of the people of the province of Quebec said they did not like the way the country was going and they did not like the relationship between their province, the federal government, and the rest of Canada. As I watched that evening, it became clear to me that the one thing we must not think is that they were defeated, because there were no victories and there were no people who lost.

What happened in Quebec that day was that a number of people who wanted to see some fundamental change went to the polls and expressed two somewhat different views of how that change ought to take place. It is now our responsibility here in this Parliament, in all the legislative assemblies in the country, and yes, even in the municipal councils and across the electorate, to look seriously at what kind of change can be brought about that can satisfy the majority, that will lay the ground work, and that will establish the base from which Canada will grow into the future.

As I said in my few brief words in French, whatever French it may have been, we in this Parliament probably have the most difficult task because we must set aside our parochialisms, we must put aside the divisiveness which frequently creeps into many of our debates and which will, in one way or another, determine what shape the country will have in two, three or four years' time. We cannot all win on every point, and there will be necessity for give and take; there will be the necessity to recognize that not everything that everyone wants can be accomplished at one time. We have to take the lead in that regard. We in this Parliament have a job which will probably—I say this without overblowing our importance—parallel the very first Parliament of this country. It is an exciting time at which to be in the House of Commons, because the decisions that we make here over the course of the next few years will be the decisions that the people of Canada will live with through the next 50 years.

Whether or not we recognize the aspirations of the many parts of Canada, whether we put it into writing, whether we establish a constitution—no matter how we write it, no matter how carefully we try to incorporate everyone's desires and everyone's feelings—in the end what will matter most will be whether or not we will approach this task with good will, whether we approach this task without the burden of having to take positions simply for the sake of being re-elected.

I worry when I look around the country because you can almost tell from experience over the last few years—and I have had the benefit, which others had, of having sat in a provincial parliament and of watching provincial politics as somewhat of a student—when we are about to have a provincial election, because slowly the words creep into the debate that it is the federal government's fault. It is called, as my colleague says, Ottawa bashing. It happens all across the country in every provincial Parliament. The unfortunate part is that it takes place a couple of months immediately prior to the election and it takes two or three years to resolve it, if ever at all. It sets the mood that has people in British Columbia believe that someone in Quebec put the French on the cereal boxes, and it sets individual against individual. It makes people in other parts of the country believe that perhaps the problems that they encounter in their day to day lives are the will of someone else in Canada.

I think that politicians will have to stop and take stock of what their role is to be. We will have to be much more serious about it. We cannot be frivolous about the future of this country. We cannot simply engage in debate for the sake of scoring some political points which may well undermine the confidence of the electorate. When I pick up the paper and read of the premiers of the provinces, I find that, without going into detail, one by one they stake out their position for the negotiations that must take place. If it is not resource rights, it is more autonomy; if it is not more autonomy, it is that Ottawa has not treated them well in the existing confederation. The problem with that is that, like everyone else, they are able, for one reason or another, to convince people who live in this country that these illusionary, imaginary things are real.

If you travel across the country and speak to the individuals in many communities, you find that they are not arguing, not blaming each other, that they are not blaming the people in Hamilton, in spite of the conflict between themselves and Vancouver over the football games that are played. Do not think that the people in British Columbia are undermining or in any way destroying their place in the Canadian society. Yet one might get the impression from time to time that the politicians who presume to speak on their behalf are trying to leave the impression that this is in fact what is happening. You find farmers in Alberta who are being blamed for oil price rises, strangely enough, by people in British Columbia. You find that the politicians in general are not responding in a less partisan way.

I want to suggest some things about this. First of all, I think it would be useful in this Parliament if we could clearly set out some time, over a period of years, when Parliament would be able to sit as we are doing today—maybe even with some people present—and talk about what our role as Parliament ought to be in the new confederation. There is no question that there will have to be a dramatic change in the formula which

now exists. What I will do is to deal with two or three of those changes right after eight o'clock, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Order, please. May I remind all hon. members that an order was issued this afternoon by the House, the effect of which will be that speakers who take the floor as of eight o'clock this evening will be limited to 15 minutes. That raises the problem for the hon. member who currently has the floor. Rather than go into some convoluted logic on it, the Chair will arbitrarily assign the remaining time of six minutes to the hon. member for Hamilton Mountain (Mr. Deans).

It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deans: Mr. Speaker, the process of constitutional reform has begun. For just a few hours this week Canada's newly elected Parliament understood and shared a common purpose. It is almost sad to realize that René Lévesque's pledge to dismantle confederation was needed to prompt a little patriotism throughout Canada. Even so, like many others I savoured the results of the referendum in the hope that Canada will survive at least this century and beyond, if possible, intact.

Although the No vote must not lull English Canada into inaction, constitutional reform must not be seen as the cure-all. When was the last time the average Canadian read our constitution or, for that matter, the British North America Act? The cold fact is that a constitution can only provide a framework and not a sense of national purpose. A constitution guarantees a certain minimum standard of behaviour. It is important for all minorities—the French, the Italian, and many others—in that it provides guarantees. But this is only a base to build upon. I think a great many Canadians from every province would agree that the country's problems stem not from our constitution but, as I said, from our politicians. Every four years some provincial premier spends two months blaming every conceivable problem in the land on the federal government, and then they have an election. This is one problem that constitutional reform cannot resolve. It will require instead greater honesty among our politicians, and a more critical electorate.

A catch phrase that is making the rounds these days is the one about control of our resources. Western provinces, and now the eastern provinces, argue that given control of their oil and gas reserves harmony will follow. The real question is: who has control now? With a couple of exceptions like Petro-Canada and Saskatchewan Potash, most of our resources are controlled by foreign companies and not the Canadian government. If there is to be a transfer of control over oil and gas, it should be from Exxon to Petro-Canada.

Some hon. Members: Hear, hear!

Mr. Deans: Constitutional reform may be a start. National unity will come when it is understood that no matter where in Canada one is born, there is an equal chance to build a good life.

Canada's resources must be used to promote the stable growth of all parts of Canada. The oil and gas will eventually run out even in Alberta, and together we must prepare Alberta's economy for that day. At the same time we must allocate some of the oil and gas revenues to assist the underdeveloped regions in this country. The point is that federal guidance is necessary in order to smooth out the highs and lows in the economy. Whoever is given jurisdiction over Canada's resources must be able to see beyond provincial boundaries.

For the people of Ontario I want to say, on behalf of those I know, that they are eager to share with all others in the distribution of economic opportunity. If, over the years, as my smirking Conservative colleagues might think, others feel Ontario was less than understanding, I want to suggest very strongly that it was not the citizens of Ontario who were to blame. It may have been the government, but it probably was the very people who operated on Wall Street and Bay Street and who now operate on Jarvis Avenue in Edmonton—Jasper Avenue in Edmonton.

Some hon. Members: Oh, oh!

Mr. Deans: We can enshrine language and cultural rights. We can develop an amending formula. We can bring home our constitution. In fact, we can rise to any challenge, and we can achieve most any dream.

I should like to comment on the suggestion of the hon. member for Rosedale (Mr. Crombie) that Canada is land and frozen ponds. Canada is 23 million people. They are industrious, sensitive, generous and diverse. They are people who can and will rise to any challenge, who can and will realize a national dream. The only thing that stands in their way is the desire of politicians to use them for their own ends. I want to suggest that, if we gave the people of Canada a chance, they could make this the very finest land in the world, and I think we should give them that chance.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I really appreciate the opportunity I am given tonight of participating in this debate on the constitutional question. I am happy to see that the New Democratic Party decided to devote one of its allotted days to the constitution and that we should be invited to speak to a resolution inviting the House to interpret the referendum vote of Tuesday last as an unmistakable call for constitutional reform.

Mr. Speaker, I agree with the request that the House of Commons launch a constitutional reform. I have believed in the need for it for a long time and still believe in it. It is unfortunate—as the former speaker pointed out that, and if I recall his words correctly, he said, "It is ironic"—that the PQ party should have been the one to provoke us into proceeding with a reform of our constitution. That really does not bother me very much but, what is important, is that we should, as parliamentarians, as government, commit ourselves to changing the terms of our constitution.

● (2010)

Mr. Speaker, we undoubtedly need a new constitution in which will be enshrined basic and linguistic rights. Mr. Speaker, I do not think that, as far as the basic issue is concerned, it would be wise to say that we should set any deadline. We should expect that writing a new constitutional document, deciding on a new basic constitution is something that is going to take a lot of time, a lot of patience, a lot of energy. But there are certain things we should be able to do.

There is one thing that the referendum that took place in Quebec last Tuesday should enable us to do. There is now in Canada, as we saw in this House yesterday afternoon, a feeling of wanting to do something. Several of us said, particularly in the last three, four or five years, that we wanted a new constitution and in fact this government in June, 1978, brought forward a document entitled *A Time for Action* and a legislative measure that was referred to a special joint committee of the House of Commons and the Senate on the constitution. We of the Liberal party have been committed to constitutional reform for a long time. We are happy today to see that because of what happened in Quebec, because the campaign of the No side also advocated change, Canadian parliamentarians, provincial premiers and, I imagine, provincial parliamentarians interpret that vote as a desire for change, and they are committing themselves to undertaking a constitutional reform.

Mr. Speaker, we must clearly understand that we must use the feeling that exists now but it can only do certain things because it is impossible to elaborate, to build—I am using words like "build"—a new constitution because it is more than a simple matter of writing a document. A constitution is more than just a legal and political document. A constitution must express a desire by all Canadians to live together, to build a better society, a society in which each and everyone will be respected.

Therefore, Mr. Speaker, one thing we should be able to do is patriate the constitution. This we could do, thanks to the feeling we now share. Not because of some threat. We should never accept that anyone, either French or English-speaking, proceed with constitutional reforms under the threat of some deadline. We should do so because we want to. And patriating the constitution is one of the important elements of constitutional reform with which we want to proceed.

The second element is the amendment process and amending formula. In my view, this is the second important part in that debate. And I would say further that we should make sure that the feeling that is prevailing this week does not vanish before we reach that goal. But the third important part, after patriation and the amendment process the amendment formula and the constitutional reform process is the content itself. And there difficulties will arise. Let us not fool ourselves, let us have no illusion.

It will be difficult because trying to reconcile all the different interests in Canada will be hard and long work, but what is important, Mr. Speaker, is that we should repatriate our constitution, that we should make it into a Canadian document, and that both Houses of the Canadian Parliament, either by themselves or with the provinces, can work on constitutional reform. We should be able to agree before too long on an amendment formula and a process to bring it about.

As concerns the federal Parliament, one thing should be done urgently, and that is that, at least as concerns federal rights, we should pass legislation to entrench in the Canadian constitution basic individual rights and linguistic rights, and I did say legislation respecting federal rights, and this according to the principle of Bill C-60, so that when the provinces want to do the same for provincial rights, they will be able to do so.

However, what I am saying applies only to basic individual and linguistic rights and federal rights, because I respect the fact that some rights come under provincial jurisdiction. However, there should be a mechanism to allow the legislative assembly of a province anxious to entrench in its constitution certain fundamental and linguistic rights of provincial jurisdiction to do so. In the case of New Brunswick and Acadians, this would allow us to entrench in a new constitution or in the existing one certain fundamental and linguistic rights which are of federal jurisdiction, but also certain provincial rights, because since about 13 years, the former Robichaud government and the present Hatfield government have undertaken to entrench in the constitution certain linguistic and basic rights. Even if we did so only to help the Acadians, I believe it would be worth while because there are not very many Acadians as New Brunswick is not a very large province.

Mr. Speaker, if in a small province like New Brunswick with a relatively large group of Acadians, people are not able to agree on their political future, how can we expect to agree throughout Canada? It is not a matter of figures, a matter of quantity, but a matter of will. And if we in New Brunswick do not succeed in giving assurances to Acadians who want to protect their language and their culture, and in making Anglophones understand that it is good for New Brunswick, if we are not successful in that endeavour in a small province like ours, if we cannot express that will, how can we expect to express it throughout the country? Then, it is not a matter of figures, it is what might be called a moral issue, a matter of will.

Mr. Speaker, I say that we should commit ourselves to changing the constitution, to repatriate the constitution within a process of constitutional reform. As federal parliamentarians we should propose a legislation on basic rights and linguistic rights. I emphasize that we should not limit provincial rights. That mechanism would allow any province anxious to do so to enshrine in its statutes linguistic and basic rights whenever it decides to do so. And that would be important for the Acadian minority in New Brunswick.

With respect to the reform process, Mr. Speaker, I must say that in our previous approach—and I want to make here a positive criticism of my party's approach on that issue—in the past we always had intergovernmental negotiations. The constitutional negotiations that we have had since 1966 have for the most part involved governments only.

Mr. Speaker, we must see to it that something is added to that. Obviously, there is a need for negotiation between governments but in my view the importance that parliamentary assemblies, the federal Parliament and provincial legislatures may have in solving that problem should not be minimized. Provincial and federal assemblies should have a mechanism which could be semi-permanent. We should probably consider having a Canadian parliamentary assembly on the constitution, not a parliamentary assembly which would be empowered to decide on a new constitution, but between governments, there are sometimes close links with respect to civil servants or policies and it is possible that these might thwart the process.

But one should not minimize what elected parliamentarians might accomplish in a forum composed of a delegation from the Canadian Parliament, a delegation from the legislatures and the Canadian Senate. It could be interesting to see what the upshot of such discussions could be; these discussions could be held on a regular basis for one month, six weeks or two months a year somewhere in the country to decide not only on the need for a new constitution but also on the way in which this result could be achieved. And I must stress the fact that a parliamentary assembly should not make decisions but simply constitute a forum for discussions between elected representatives.

Mr. Speaker, I think such a process could do much in the way of helping to define various regional interests, cultural and economic interest within the country for parliamentarians can sometimes more readily understand one another's aspirations and this is what we must do in Canada. I myself, as an Acadian from New Brunswick, should be able to understand the aspirations of Canadians from British Columbia, Newfoundland, Quebec and Alberta. They in turn must also be in a position to understand those of the others. One thing that intergovernmental negotiations do not allow for is a true discussion of those aspirations. They are negotiations between governments which have close links with respect to their civil servants and their policies. One might say that when we have all those people in front of television cameras, it is a good place to make what is known as set speeches, to put up an act, and that is important, it must be done. But, Mr. Speaker, I would like those questions to be debated outside that format, not exluding that format, but we could have another debating forum to discuss Canada's constitutional future.

• (2020)

[*English*]

Hon. James A. McGrath (St. John's East): Mr. Speaker, this has been one of the truly uplifting days of Parliament. This has been a tremendous debate. We have heard marvellous speeches. It is something from which we can all draw encouragement, the fact that we as members of a diverse House of Commons, coming from diverse parts of the country, can meet together in debate on the future of our country. The hon. member for Yorkton-Melville (Mr. Nystrom) has done a great service to the House by introducing the motion which he has set down on the order paper. Indeed, I would like to congratulate the hon. member, not only for his motion, but for the speech which he made today.

We have heard outstanding contributions in this debate from the hon. member for Gloucester (Mr. Breau), the hon. member for Rosedale (Mr. Crombie), and the hon. member for Provencher (Mr. Epp) who made an outstanding contribution and set out the position on behalf of our party.

I suppose that I am in a unique position in terms of this debate or this resolution, a resolution with respect to the outcome of the momentous and historic Quebec referendum. I am one of the few members of this House who lived through a referendum, a privilege which I share with my colleagues from Newfoundland. Indeed, we lived through two referendums. In 1948, after some 15 years of direct colonial rule, Newfoundlanders, by referendum, were asked to vote on whether they wanted to continue that colonial type of administration which was administrated directly by civil servants from Westminster, or whether they wanted to revert to dominion status, which Newfoundland enjoyed prior to 1933 under the Statute of Westminster—which is the same statute that gave Canada its sovereignty—or whether we wanted to confederate with Canada.

I recall very well the trauma of that time. I can feel for what happened in Quebec. I can empathize with the people of Quebec in what they are going through right now in this post-referendum period. Indeed, we were encouraged, and I was certainly very pleased to see the right hon. Leader of the Opposition (Mr. Clark) and the right hon. Prime Minister (Mr. Trudeau), following the decisive results of the referendum in Quebec, reach out a conciliatory hand to the minority in Quebec which felt strongly enough about sovereignty-association. They felt strongly enough about the independence of Quebec to go and cast their ballot for that question, in many cases alienating the affection of their relatives and friends by so doing.

That is important because I recall the post referendum period in Newfoundland. I recall very well the night of the second referendum. At the time I was working as an active

member of the Young Responsible Government League. I lived in a part of Newfoundland which was staunchly anti-confederate. My job as a member of the Young Responsible Government League was to be an agent in the polling booth. I did that during both referendums.

Of course there had to be a run-off because, on the first referendum, the outcome was indecisive. There was not a clear majority for either of the three questions. It is interesting that in the first referendum, independence, if you like, or sovereignty-association, if you like, responsible government as we knew it, won the day. But in the second referendum the confederate option won, because there was only two questions remaining. The two questions were whether to confederate with Canada or whether to continue to revert to dominion status.

● (2030)

I recall walking home that night to my house, Mr. Speaker, and looking at my father who was crying. That is how strong our feelings were running at the time. I remember the feeling on the street as I talked to my neighbours, and how strongly I felt as I passed our old parliament building. For some reason there were flood lights on it. I remember a lump coming in my throat because I felt the sudden realization that we would no longer exist as a separate entity. We had lost. We were the sovereign-associationists of our day and we had lost!

It took years for that feeling of bitterness to subside, Mr. Speaker. Indeed, you will still find it in Newfoundland today, and there are those who would take advantage of that feeling. They do so at their peril. That feeling still exist to a certain extent. I know it existed when I came here as a young member of Parliament in 1957 because the constituency that elected me then did so largely because of the anti-confederate sentiment that still existed. One of the ironies of the time was that we had no political parties, so the confederates joined with the government of the day and became the Liberal party, while the anti-confederates joined with the opposition of the day—hence I am a Progressive Conservative. There were no political parties, you see. Our constitution was in suspension. We had no legislature as it had been in suspension. Indeed, political parties were not permitted to exist save for those that were permitted to organize, as they were in Quebec, for the referendum.

I remember coming here in 1957 with a certain feeling of bitterness still there—bitter because of the way it was brought about. We felt we had been short-changed. We felt that somehow the British government and the Canadian government had got together and decided that this would, in the long run, be best for us and that in insidious ways they were able to influence the outcome.

I did not realize until I came here, Mr. Speaker, the diversity and majesty of Canada. When I went to school I learned British history. We did not learn Canadian history. We learned very little about Canada, and the little we knew about Canada in the Newfoundland I grew up in we learned from the Canadian Armed Forces who were stationed overseas in Newfoundland during the war. Hence, I can speak with some feeling of this country because I became a Canadian by way of referendum—I suppose I am a statutory Canadian—a referendum that took place on July 22, 1948.

The constitution that we are now talking about patriating was amended on March 23, 1949, and royal assent was given at Westminster in order to make provision for Newfoundland's entry to confederation.

When I came here in 1957 what did I find? We were divided in this House on the question of whether we should have bilingual cheques. Can you imagine that—whether the French-speaking citizens of this country were to receive cheques from the federal government in their own language! Up to that time all government cheques went out in English only. This was a new dimension of Canada for me.

I recall that at that time a French Canadian could not stand in his place in this House and speak in the French language because, if he did, no one would understand him. Not only did the late right hon. member for Prince Albert bring in bilingual cheques, but one of the first things he did when he became prime minister was to provide the simultaneous interpretation that is in this House today.

This is not the Canada of 1949, Mr. Speaker. We have come a long way. This is not the Canada of 1957. An expression was articulated by my leader, the right hon. Leader of the Opposition, when he said that Mr. Lévesque and those associated with him wanted to separate from a Canada that no longer existed.

It is not for me to articulate the grievances of the French-speaking people of this country, our brothers and sisters in the province of Quebec. I can speak of the grievances of my own province and I will.

Sir, what I want to say in the few minutes left at my disposal tonight is this: I believe in Canada. I am happy that the people of Quebec, by a democratic expression of their vote, demonstrated belief in Canada. I believe in strong provinces. I believe in strong provincial governments—provincial governments that have the constitutional authority to discharge their mandate, to carry out the obligations they have to their constituents, but I also believe in the absolute necessity of a strong federal government.

Some hon. Members: Hear, hear!

Mr. McGrath: If there is one thing that worries me it is the suggestion that somehow, in this quest for constitutional renewal, the conventional wisdom may become a self-fulfilling prophecy and we will divest the Government of Canada of the powers necessary to serve the common good of Canada. That is what worries me more than anything else. I look at the power grab taking place in this country today by some of our provincial premiers, and it shames me. I can stand in this House and articulate the views of my constituency; I have the responsibility of serving my constituency, and I have the concomitant responsibility of serving my province, but I have an equal responsibility in this House to serve my country.

Some hon. Members: Hear, hear!

Mr. McGrath: That is why I reject those who would put forward the proposition that the Government of Canada can only enjoy those powers that the provinces delegate to them, that somehow the Government of Canada is perceived as merely the agent of the provincial governments. I reject that notion, Mr. Speaker. I reject it for many reasons, not the least of which is that it would create a Swiss type confederation in Canada, with a Government of Canada that had no power to serve its people to speak for Canada.

I hope, sir, as was so eloquently expressed today by my colleague, the hon. member for Rosedale, that in our pursuit of constitutional renewal we do not look on the British North America Act as a piece of paper and throw it out. It has served us well. It is one of the oldest constitutions in the world. We have been able to grow and prosper under that constitution. It is a constitution that could permit Bill 101 in Quebec. It could permit French Canadians to come to this House and find expression in their official language.

Let us not sit down with the attitude of carving up the pie. If we do that we will destroy Canada. Let us sit down and share in the dream that is Canada, a dream of the Fathers of Confederation. If we do that we will succeed.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State, Trade): Mr. Speaker, it is almost superfluous for me to say, after all those who spoke earlier in this debate, that I join in the motion introduced by the hon. member for Yorkton-Melville (Mr. Nystrom). I congratulate him for his altruism and for that of his party, through him, because less than 48 hours after the results of the referendum became known in the House of Commons, he has enabled us to reaffirm solemnly the commitment made by the federalist forces to the people of Quebec that a negative vote on the question asked by the government of Quebec meant in fact a step on the road to change. It is for me symbolic that the dust having hardly settled on ballot boxes the House has already had the opportunity to hear the three national parties represented in this House state that it is very important for the survival of the country to devote the respite given to us to nation building, and I agree.

● (2040)

I was deeply interested by the speeches made by the hon. members for Provencher (Mr. Epp), Rosedale (Mr. Crombie) and the one made by the previous speaker, the member for St. John's East (Mr. McGrath). I would like to say that I was deeply moved when, 30 years later, he referred to the heartbreaks induced by both referendums in that province and the fact that even after all those years, the people of that province still remember. I express the wish, Mr. Speaker, first that in 30 years from now we will still be in this House of Commons to say as Quebeckers: I remember the referendum in 1980 but also I would like to say then: You know, I was on the No side at the time and I do not regret it since Quebec has taken its place in the Canadian federation, its rightful place, and that happened only a few months or a year or two after the people of Quebec stretched its hand out to the rest of Canada as it did the night before last.

I am happy that the hon. member for Provencher took the opportunity tonight to draw attention to the regionalistic dimension of this desire for change. Let me explain. Everyone knows as well as I do, Mr. Speaker, that the Pepin-Robarts report gave a diagnosis of the situation, with which I agree, and said that there were two currents of change in Canada. One current, from Quebec, could be termed the nationalistic current, and the other, of which Alberta is perhaps at the moment the torchbearer, the regionalistic current.

I was glad that the hon. member spoke of this dimension because I think one of the biggest mistakes of the Quebec government was to presume and state that the other partners in confederation had no desire for change and that a No vote would simply allow all Canadian federalists to sit back and watch the world go by. But we realize now, and the hon. member has proved it, that this desire for change exists not only in Quebec but that it is echoed, and forcefully so, for perhaps differing reasons, in the regionalism of western Canada which is demanding adjustments to our constitution and institutions.

Finally, it is perhaps the hon. member for Rosedale who fascinated me most, because he indirectly opened a door which I myself wanted to open, and that is to warn all those who will be responsible for constitutional change, those who will bring it about, not to be lured by change for the sake of change.

Let me explain this. The hon. member said "You know, in the final analysis, the constitution of 1867 served us well." You will be surprised to hear that from a Quebecker; it is probably true. It would be sad to cross out our whole past for the sake of change and to feel obliged to build anew without putting to some use the experience that we have acquired and must preserve. I like very much the saying which has become very popular now, that instead of pulling the old house to the ground and building a new one, it is better to keep the nice architecture, the high walls and the large and aired rooms of the old one and to renovate them, to upgrade the insulation, to improve the heating system and to keep our link with the past which survives through the house and is beautiful.

You know, I have the feeling that if there ever was a myth that has been excessively used during the debate, it is the idea of status quo. Obviously, nobody wants the status quo. It has become the villain in Canadian politics. But is there only anything like status quo in Canadian constitutional law? I wonder and I am asking every hon. member. Not sure. Strictly speaking, the constitution of today is not that of 1867. It has changed and developed along with the times and needs, in line

with other legislation, the British North America Acts—there are a whole series of them—the Statute of Westminster, through constitutional amendments, both provincial and federal. The constitution of today, whether in the tax, monetary or power-sharing areas, is not that of 1867. One can rightfully say that we live today in a system which was conceived in 1867, but one could not say that the rules of the constitution under which we live today are those of the 1867 constitution. We are living under rules which have evolved. If these rules, therefore, have evolved, it is because the formula itself is not so bad after all, and this is one of the reasons—there are indeed others—why I believe in federalism. I believe in it and, until proven wrong, I shall continue to do so.

Alas!—and here I agree with the hon. member for Rosedale—the problem we must face today is not, strictly speaking, a problem of constitutional reform. Of course the federal government, in March 1978, and before that, in October 1977, presented during federal-provincial conferences a whole series of proposals for constitutional reforms, on such esoteric matters as the declaratory power, the power to spend, natural resources or offshore rights on the continental shelf, which are all very important, of course, but which are all matters with which I am not sure that all Canadians can easily identify.

Reforms had therefore been suggested and the process was underway to make certain necessary adjustments, which leads me to say that we should beware of using the term status quo in Canadian constitutional law because it does not reflect reality. I do not believe that this is the real crisis; the real crisis is one of identity. And, as I said earlier, I would like to warn those who will bring about this reform against making simply a legalistic reform, a reform of the legal texts, against playing a political give and take game during these federal-provincial conferences mentioned earlier by my colleague from Gloucester (Mr. Breau) which could be compared to a circus where everyone is trying to gain some advantage so that when they go home, whether it be to Edmonton, to Quebec City or to St. John's, they will be able to mark political points. Unfortunately, this is just about what has happened in past constitutional conferences and even during federal-provincial conferences on energy or the economy, and we have to avoid falling in this trap.

Indeed, you can believe me, Mr. Speaker, even if I said earlier that the major issue may not be constitutional reform, but rather a change of attitude—and I shall unfortunately not have the time this evening to explain in detail what this change of attitude should entail—this change can have various manifestations, for instance, the creation of bilateral consultation mechanisms, a decentralization of decision-making, the creation of a House of Federation, a mechanism of shared membership among the provinces and the federal government, and so on. That could be discussed at length. But that has nothing to do with the constitution as such; it is rather the institutions themselves that will have to adjust.

As I was saying, let us not kid ourselves, this is indeed the last chance that Canadians will have to reidentify with their country. The hon. member for Rosedale talked about the land, and I did like his image. For some it might be the land, for others, the sea, but the fact still remains that our crisis is one of identification. Mr. Speaker, if we cannot find a way to solve that crisis of identification, and very rapidly, I am afraid there will not be any need for a second referendum, and perhaps involving not only Quebec but other partners as well, for Canada as we know it now may no longer exist five years hence. It is the danger as I see it, the danger I apprehend and the reason once again why I would dare hope that that reform, that desire for change on the part of all Canadians will be expressed in two different ways. First, of course, to clean up that hotchpotch of necessary proposals for change, but that can sometimes blind us, make us think that here is the solution, the miracle solution is the spending power, the declaratory power, the offshore rights under the continental shelf, ownership, oil wealth. Some think solving that will solve the problem. No. But let us clean that up as rapidly as possible. Perhaps that can be done at the conference that will take place in July.

But that is not all. It would also be necessary, in a second step, that the conference in July be the starting point for that reflection and over-all reform that would finally enable us to better identify ourselves with our institutions. As I said, several proposals have been made, by the Pepin-Robarts commission, or in the beige paper of Mr. Ryan, by the Canada West Foundation or by the government of Ontario, in Bill C-60, or again by the Canadian Bar Association. Many groups have offered proposals, huge documents, reform proposals. There are many good ideas in there, proposals which may indeed help Canadians to better identify themselves with their institutions, which would allow a really dynamic federalism.

One solution could be to ask officials, and I would like this to be done on an intergovernmental basis, to collect and organize all this by the month of July—I am almost finished, Mr. Speaker, I need only 30 seconds more—so that we could, at the July conference, after having organized this hotchpotch, we could establish intergovernmental bodies to study these proposals and reach a consensus as soon as possible and, once again, on an intergovernmental basis. At a second stage, in maybe two years, we will reach proposals agreed on by consensus which could be submitted—one can dream about it—to a national referendum. Then all Canadians could vote on these proposals prepared by politicians.

● (2050)

[*English*]

Hon. Ron Huntington (Capilano): Mr. Speaker, I, too, am quite moved and feel very privileged to particpate in the debate on the motion. I was very moved by the speeches made

by hon. members earlier in the debate and I find my interests and concerns overlapping those of members in all parties.

I think we all have deep feeling and emotion and a love for this country. Some of us have been deeply troubled as we have moved out of the decade of the seventies. My hon. friend from Rosedale spoke with soul and feeling. He is obviously a man who understands his community, his region and his country, as do the speakers who followed him. I was touched to hear my colleague, the hon. member for St. John's East (Mr. McGrath), give his experience, stating the fact that he is a statutory Canadian in that he joined this chamber and this country as a result of a referendum. We heard that Canada today is an idea, not a constitution, that historians and artists reflect the strength, the beauty, and the magnificence of the land.

My background, my education, my reading, my work, my life, my region of the land, are quite different from those of members who preceded me, and I would like to place perhaps another broad dimension into the debate here today. Canada has come through a decade in which I have been troubled, as have others, in seeing the spirit of Canadian nationalism diminished. I have often related this denationalization to the social engineers working under the direction and perhaps with the assent of the government which was in power through the seventies.

I, like many Canadians from my region of Canada, carry a deep concern, yes, a resentment at the deterioration in the nationalism I was brought up in. I have seen this deterioration take place in the schools of my land when they stand to sing the national anthem. I have seen it deteriorate at the hockey and football games of my land as we sing the national anthem. Many of us are concerned that the spirit and the values which built this great country are diminishing. That spirit and those values carried our forefathers, my father and myself, through two world wars in my family, defending freedom and dignity for men, freedom of speech, freedom of ideas, freedom of movement, freedom of enterprise in a free marketplace, freedom to set individual goals and work to achieve them, all within a sense of order necessary to serve and protect the common weal and the common good.

We know that the racial crisis that we are in the midst of in this land has roots deep in the history of the nations of our French and British forefathers. But in spite of this historical antagonism, Canada came together as a nation with a constitution surely for some very fundamental reasons in addition to the land that we have heard of today, the love, the idea, and the referendum.

In May of 1979, a year ago, I received from a constituent an article in the Washington *Post*. It was written by John Conway, a Vancouver person, a scholar who moved to the United States as a lecturer in law and history. His article was written as an interested Canadian observer looking at Canada and what was happening to it from outside the land, not involved in the day to day work of it. The article was entitled "Canada is Coming Apart". In the files of clippings and literature which I have gathered, and which most of us have gathered on this issue, that article stood out in that it expressed something I fully did not know from my knowledge of history and my schooling. He pointed out that Canada came into existence for three reasons resting upon a genuine distrust of the American democracy, founded on life, liberty and the pursuit of happiness, as opposed to British constitutionalism.

He pointed out that Canada in its beginnings was afraid of American annexation. Indeed, he reminded us that in 1896 Theodore Roosevelt even talked of declaring war on Britain to conquer Canada, its resources and its land. The Quebec French Catholics did not like the idea of being forcibly etched to the bosom of the Protestant American Union. This was one of the feelings that was in the origins of Canada. English Canada, on the other hand, was founded by some 35,000 loyalists who had backed the defeated side in the revolutionary wars of the United States and had settled along the shores of Lake Ontario. They feared the Americans and disliked their political and social institutions. Concern about American annexation lasted in this country into the twentieth century.

● (2100)

The second reason Conway gave for confederation was economic. If British North America was to be united and strong against American attack, it must have a strong, stable, expanding and mixed economy. This led to tariffs to support founding industries in Canada, in Ontario and Quebec against American competition.

From the very beginning of Canada this policy was a source of irritation to the farmers on the Canadian prairies and to the harvesters of the natural resources on the west coast of Canada in British Columbia.

In British Columbia we have always had to compete in world markets with products from our resources. Our export dependence far outweighs that of Ontario and Quebec. In addition, we have had a slender hold on secondary manufacturing and processing of resources which are important to stable payrolls and long-term growth in those regions. This means that national policies have a very different impact on my part of Canada from that on other regions like Ontario and Quebec.

Canadian tariffs and quota restrictions are seen as a negative drain on our payrolls and on consumers and higher prices for consumers in all of Canada, while the benefits go largely into central Canada. I do not put this out antagonistically; I just seek understanding of that attitude which prevails. Anti-dumping Tribunal decisions which disturb western payrolls and industries and which transfer the market advantage to Ontario are indeed dangerous policies within the delicate nationhood we have.

The third reason he pointed out for confederation was the growing might of the British Empire. Canadians could not compete with the might of the industrialized forces of the United States, so British preferential trade agreements were in our history a great boon to us and were a great offset against a very powerful neighbour to the south. British preferential

tariffs are now being phased out, as three quarters of our trade is with the United States.

These three founding reasons have faded. We are intimately related to the United States economy in that 74 per cent or 75 per cent of our trade is now with the United States. The United States has no intention of taking us over through the force of arms. We know that, although its influence and economic power over us are a challenge which we must recognize and face. The British Empire has faded like all previous empires. It appears, therefore, that of the founding reasons for our nation only one in part remains, and that as a nation we are searching and looking for the base upon which to reconstitute ourselves.

Although anti-Americanism is raised from time to time in Canada, so far it is only the product of the intellectuals. I do not see the rank and file average Canadian perceiving it as an issue. Even in British Columbia we are concerned about the extent of Japanese economic domination over our resources and over the secondary industries adding to the value of those resources. Could it be that in addition to the land the only other rationale for reconstituting our nationhood lies in more self-determination and control over our resources?

We in British Columbia want to see initiatives on two fronts, the economic front and the constitutional front, where amendment is necessary. We are impatient with a struggle and a structuring to concentrate power to the centre. We want to see a federalism based on co-operation and with guarantees for inputs from the regions of this great country. Most of us in the west believe that the problem is economic, and would like to see a healthy economic environment exist in order to resolve the cultural and language problems which are within our bosom.

At the moment we have an impatience with the posturing for duality of language, law, and culture. It will take a great deal of talk, such as we have had in the meeting of minds, hearts and feelings in this House today, to create the understanding needed for duality of language and an at home feeling from sea to sea to come about in this country. I believe there are federal powers, as my predecessors have said, which must be strengthened, and that a strong central government is absolutely necessary for this country in order for it to take its rightful place in the community of nations. But to do so by the central government's grabbing the resources of the regions is indeed a strain on the threads which tie and bind us together.

Quebec has been the first to speak out. The west feels that its frustrations, although of different origins, are equally valid. Conway writes that without the empire, without the unifying ideology, and without the charter myth such as the Declaration of Independence, we are retreating into regionalism and indifference. I think May 20 snapped us out of indifference. Now we in this chamber have to talk our way out of regionalism.

He also challenged that all three political parties in Canada have failed to address these fundamental issues upon which the survival of our country depends.

In closing, let me echo the words of my colleague, the hon. member for Rosedale (Mr. Crombie). The present constitution really needs two things. It needs tolerance—"Let us celebrate our differences"—and talk. This chamber needs heart-to-heart talk. We have lost ourselves in closed caucuses which do not allow us to express in this House the sense of regionalism that we were elected to bring to the federal government. That debate started back in Britain in the late 1700s, and I think we in all parties have to address it today.

I should be able to stand up and talk to hon. gentlemen across the way and to my left and my colleagues here openly, in front of the media and the *Hansard* of Canada, and express the feelings and the emotions of my home in my part of Canada. I should not have to be locked into a caucus of silence when I do so. Without talk how are we ever going to understand each other and defeat the regionalism which has descended upon us? I believe the challenge before us lies in this chamber today.

Some hon. Members: Hear, hear!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to do something a little bit odd this evening by finishing off the address I started on the seventh day of the throne speech debate. You may remember that you were in the chair and that I had the last ten minutes, and tonight I have a bit more time. I think it is timely, since I was talking about the protection of minority language rights and minority rights in general, that I finish off that part of my speech and talk a little bit more about what I think has to happen in terms of constitutional change from the perspective or vantage point of an Ontario member of Parliament.

[*Translation*]

But first, Mr. Speaker, I would like to repeat part of a speech I made before this House some four years ago. I said at that time that many English-speaking Canadians born in Canada forget all too easily the fate that a minority group must suffer. Just ask a newly arrived immigrant in Toronto if it is easy to be accepted by the majority. The answer, I reckon, will be a loud no.

New Canadians must face difficulties because of their linguistic and cultural differences. They must face discrimination because of the colour of their skin or their religion. Immigrants generally accept these difficulties. They consider them as the price tag of their acceptance in this country, Canada. The same is not true of French-speaking Canadians. They represent more than a minority, Mr. Speaker, they are part of a minority with has a status of equal partner in the Canadian nation-state.

In my opinion the Official Languages Act is a wonderful thing and contributes to the unity of this country. It spells out the legal right of Canadians of both official languages to be served in their respective language by the national government throughout the country.

Where it is feasible, I think that the people want the government to establish this service. But now, Mr. Speaker, we must go further, especially after the results of Tuesday's referendum in the province of Quebec. We must entrench linguistic rights in a new Canadian constitution.

• (2110)

[*English*]

I would say, Mr. Speaker, that one of the main reasons that I wanted to come back to this House, as I mentioned the other night, was to see a new constitution, and to see minority language rights enshrined in that constitution. I applaud the speeches of some of the premiers of this country, such as Mr. Davis, Mr. Hatfield, and even Mr. Lougheed, who are prepared to enshrine minority language rights in the constitution. That may help to win the hearts of those in Quebec who really delivered for us the other evening when they voted overwhelmingly No to sovereignty-association for the province of Quebec.

But there are other aspects of the constitutional debate that have to be analysed. As a member of the House from Ontario I think that Ontario has to make many sacrifices if the other regions in this country are to feel at ease with being part of the continued Canadian confederation. I want to talk for a moment about resources because resources are to western Canada what language and cultural rights are to Quebec.

I am glad that the premier of my province has made a public commitment to enshrine minority language rights in the constitution of this country. But I also think that the premier of my province and his government, the members of the provincial legislature and the members of parliament from Ontario, have to recognize the legitimate aspirations of those people from western Canada with respect to resource management and ownership.

I would agree with some of the comments made by Premier Blakeney when he said in Toronto recently that one cannot talk about federal taxation on revenues flowing from oil and natural gas if one is not prepared to apply the principle across the country no matter what the resource. I think the people of Ontario will have to realize that they cannot expect the western provinces, in particular Alberta, Saskatchewan and British Columbia, which have most of the oil and natural gas in this country, to accept a lower price, to accept federal taxation of that resource, unless resources in the province of Ontario are equally taxed.

I have a couple of things in mind here, Mr. Speaker. Uranium is a great export from the province of Ontario and, to my knowledge—and I stand to be corrected—there is not on it the same kind of export tax, if indeed any, that applies to the export of oil and natural gas. With regard to hydroelectricity or electric power, I saw some figures this afternoon when I was signing a question which will be produced in the House in a few days from the hon. member for Vaudreuil (Mr. Herbert) about the sale of hydroelectric resource to the United States. It is my understanding that electric power in general, when exported to the United States, is not subject to the same kind of tax that we have levied on exports of oil and gas to the United States. So, to use that old adage—and I hate to use it—what is good for the goose is good for the gander, I think for too long people in Ontario have lived comfortably and have perhaps behaved a little like ostriches, not willing to recognize the legitimate aspirations of other parts of the country.

It is my hope to see in this debate what was so eloquently expressed this evening by my colleagues on all sides and I took particular delight in the comments made by the hon. member for St. John's East (Mr. McGrath) and the hon. member for Capilano (Mr. Huntington) who, in my view, united themselves with most, if not all, members of the House in the desire to hatch up regional differences, to maintain a strong, united country but also to maintain a federal power and the national Parliament which has the ability to protect all people across this country, whether it is to protect minority language rights, English in Quebec, French outside of Quebec, or whether it is to protect the federal power in setting national standards in certain programs which we have accepted in the last 20 or 30 years as the right of every Canadian. One that comes to my mind is medicare. I would say quite frankly that one of the worst things I did when I was a member in the Thirtieth Parliament was to vote for a piece of legislation which, en bloc, had the effect of transferring the powers over medicare to the provinces.

Some hon. Members: Hear, hear!

Mr. Collenette: I would hope that we may correct that in this Parliament.

Mr. Knowles: Hear, hear!

Mr. Collenette: We need a strong national government to maintain a good medicare system and equal access to medicare. We need a strong national government to ensure that all the resources of the country, whether it is oil in the west, or uranium and hydroelectricity in Ontario, are shared equally across the country. All the resources, such as off-shore fishing on the east and west coasts, belong to all Canadians, and it is only with a strong federal power and a strong national government that these resources will be shared equally among Canadians.

We need a strong national government to ensure the freedom of movement of goods, labour, and capital across provincial boundaries. I think that what the hon. member for St. John's East said a few moments ago struck the core of the problem. In the last few years this basic principle has been seriously eroded. I think that some of the talk about decentralization, about the devolution of power and the need to weaken the central authority, is really a figment in the imagination of certain bureaucratic and political elites in this country. That is not to say that we in this chamber and our public service here in Ottawa are also not an elite that wants to protect its own sphere of interest, but I think that if we are really going to solve all of our problems we have to look beyond our petty interests, whether those interests are the ones I have described, the political and bureaucratic elites federally or provincially, or whether they are the petty concerns of people in their

respective provinces. We have to agree to put these aside, and we have to agree to unite and all make sacrifices.

The vote the other night was great for us from English Canada. We appreciate no end the decision taken by the majority of people in the province of Quebec; but the heat is now on the rest of us from outside of Quebec not to break the faith of those people who voted in Quebec. So we must push for constitutional change, and I hope that the good wishes expressed in the House in the last couple of days will not dissipate as the referendum results move farther away from us. I think we realize—and I believe this sincerely—that we have very few years left to make sure that this country stays together. The problems in this country, whether they be language rights, the legitimate recognition of the economic aspirations of the provinces or the sharing of wealth in this country, must be attended to. We must in this Parliament, as I said the other night, pledge ourselves to come forward with a new constitutional document.

I was quite glad to hear the response of the Prime Minister (Mr. Trudeau) to the question from the hon. member for Oshawa (Mr. Broadbent) in terms of participation of the member for Oshawa and of the right hon. Leader of the Opposition (Mr. Clark) in any federal negotiating team.

We have had two elections in the past year. They have left a bitter taste with some members, not just those of the former government. I might remind hon. members that I was one who paid the supreme sacrifice last May, and then came back. It has been a tough year, but politics and our political fighting in election campaigns are what make this country democratic. As indeed the Prime Minister said about the referendum, where else but in Canada could one part of the country legitimately debate openly the future of that part of the country and put it to a democratic vote? We are a very mature country.

• (2120)

Since two elections are past us, and since the referendum is past us, we in this House can bicker back and forth about specific programs. Perhaps I should not say "bicker", as we all have legitimate differences. But on constitutional matters I really hope in a most sincere way that we will put our differences aside. Whether it is an all-party federal negotiating team with the provinces, or whether it is some other kind of mechanism, I hope we can all submerge our differences and agree that we must make some sacrifice. It will not be easy.

It will not be easy for someone like me to go back to metropolitan Toronto and tell people that higher oil and gas prices must be levied or must be gained by the western provinces, and that growth must shift further west. It will not be easy for me. It will not be easy for the hon. member for St. John's East if he has to go back to Newfoundland and say to the people of Newfoundland, "You cannot claim all of the jurisdiction over offshore mineral rights". Those are some of the sacrifices we as members will be called upon to make in the next few years. I hope all of us are equal to the task.

Some hon. Members: Hear, hear!

Constitutional Change

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too am very grateful to be here in the Parliament of Canada on this occasion, on the occasion of talking about the referendum in Quebec, on the occasion of talking about constitutional renewal for Canada. It has been, barring the Newfoundland referendum, one of the most important events in Canada since the Second World War. It is all very well to say that other provinces, regions and cultures have problems, grievances and some feelings of being wronged, but no other part of the country had come to the point where it felt it had to have a referendum asking whether or not its people wished to have a quite different role to play in Canada, a sovereignty-association role. No other part of the country has felt it necessary to do that. It seems to me that in itself makes this an occasion for us all to realize, if we have not yet done so, that French Canada, particularly Quebec, is different. It is not a province like the others, nor has it ever been.

Some hon. Members: Hear, hear!

Miss Jewett: Since none of us can be experts in this, I can do no more than say I think that many of us in Canada, many, many Canadians in all parts of this country, have over the past three or four years, particularly since the election of the PQ in the province of Quebec, really come to feel in our souls that there is a duality, that there is a dual society in Canada. The duality is the vast numbers of us who are predominantly English-speaking, of a great variety of cultures, but the mosaic is within the English-speaking group, on the one hand, and a large, significant and historically important French-speaking group on the other. By the way that group itself may become more and more a mosaic of cultures as new people come into Quebec.

I think it is the politicians who have not yet recognized that Quebec is different. I think it is some politicians, anyway, who have not yet accepted this marvellous duality that is Canada. Many, many people have accepted it. I have been reading in the Vancouver, Ontario and maritime newspapers in the last day the man-on-the-street interviews. Of course we cannot say that they are scientific samples, but time after time people are saying that what Quebec has been feeling, needing and wanting, and what French Canadians generally right across this country have been feeling, needing and wanting, is different.

As one woman said in Vancouver, which is in my province, "British Columbia and all the western provinces must realize that the intensity of Quebec's cultural issues is far greater than the west's economic questions." There are many more, more than I think we have ever seen before, along that line. In a sense it took a referendum to do it, but I think it has been a culmination of many years for many Canadians getting a fundamental grasp and feel for the duality of this country.

I would hope that there would be no difficulty getting agreement very soon on one measure. I hope to speak to the premier of my own province to see if I can persuade him to come along. I am referring to the entrenchment of language rights. I think this is the time at last when we could get and

should get agreement right across this country on the entrenchment of language rights.

Some hon. Members: Hear, hear!

Miss Jewett: Of course one of the really difficult things will be deciding on the division of powers. We all know that. There will be lots of discussion on what we will do when we abolish the Senate.

Mr. Epp: What will Stanley do if he cannot go there?

An hon. Member: Good luck, Stanley.

Miss Jewett: There will be lots of important discussions—one just needs to read the beige paper, for example—on the courts and their composition, as well as the fascinating subcommittee of the council, that is proposed to deal with dualistic matters. But the big one will be the division of powers, and we all know that.

We have heard a lot of talk in this very fascinating debate today about whether or not we can have a reasonably strong federal government particularly in the area of economic development, or whether we will have a society where all economic development matters are left in the hands of the provinces. It is interesting to observe that over the last decade or so it has been the provinces that have been taking the initiative in economic matters.

It was never true in the past that the provinces took very many initiatives, certainly not in social and economic matters. But in the last decade or so—in fact some people would say since the Second World War—the federal government has been on a continental drift. There has been no Canadian economic development policy. Some people would say that there has not been any since Sir John A. Macdonald. But even looking at the last dozen years, there has not been a national economic development policy. The only major development at all was the establishment of Petro-Canada.

• (2130)

How do we know whether we as a people, we as members of provinces, we as citizens of different parts of the county, want to have a strong federal government, particularly in economic matters, when we have allowed the role of the federal government to drift totally over at least a decade? In other words, we not only have to address constitutional reallocation but, indeed, even before we make decisions on that, we have to decide as a people whether we want to see the federal Government of Canada in co-operation with the provinces have a Canadian economic development policy. It is crucial, to me, that we make that decision.

I was very moved, as I think we all were, by the speech of the hon. member for St. John's East (Mr. McGrath). As he was speaking I was wondering whether he and the hon. member for Rosedale (Mr. Crombie) had ever engaged in a friendly debate because, as I understood the hon. member for St. John's East, he was saying that one of the marvellous things about being a Canadian is that you can feel a part of every part of this country no matter where you live and no matter where you come from—you can feel it.

I have heard lots of people in British Columbia say, when they were afraid that Quebec might separate, "Quebec belongs to me too". We do have this feeling, or many of us, about every part. I have it for New Brunswick because of my father's background, about Ontario because of my education, and about B.C. because that is where I live. I have it about other parts of Canada too. I think everyone has it even though they may never have left home.

The hon. member for Rosedale was saying that he thought a fundamental reality of this country was regionalism, a state of mind rooted in historical experience. With all due respect, I think that day is over. One of the fundamental facts of this generation in this country is mobility—we move around.

I am practically a senior—I won't use that phrase; I am practically an old timer in British Columbia. I have been there six years but most of the people I meet there now have only been there two. The big feature of Canada is its mobility. I agree with the hon. member that there was a period when all of our paintings, particularly the Group of Seven, were only of landscapes. That is not true any more; we are a society of people. There was a period when we stayed home and never moved; that is not true any more. We move right across this country. We move and we must encourage, through government action, more young people to move backward and forward across the country.

I have only one more theme I particularly want to address. Two or three hon. members have referred to the suggestion that more than governments be involved in the constitutional negotiations. Or course, not being in a government, I think that is a splendid idea. We have to look at the way it might be done. It was suggested by the hon. member for Provencher (Mr. Epp) that it might take place after the first ministers' conference; that there might be a sort of constituent assembly after that first ministers' conference. I think my leader's suggestion was that the actual delegations at the first ministers' conference should have a multipartisan make-up both from provincial and federal spheres, and that there should be at least leaders of other parties in the delegation. At this time of, I hope, a joyful renewal in Canada I think that would be an act of magnanimity, but more than that, an act that has a chance of real success. The delegations would have to do a lot of talking among themselves first, but it would have a chance of real success to have the federal delegation multipartisan, and the provincial delegations the same. I would hope, therefore, that the Prime Minister (Mr. Trudeau) would take that into consideration very seriously.

The hon. member for Gloucester (Mr. Breau) had an interesting suggestion as well. His was more a way to involve more members of Parliament in a forum of discussion; it would not be more than a forum of discussion, but to mix them up with members from the provincial legislatures. I think that is an additional means of furthering our understanding of one another and, therefore, deserves to be thought about seriously,

in this case by us as members of Parliament with our counterparts in the provincial legislatures.

I for one look forward to the real opportunities that the referendum and its results have given us all as Canadians. I think they have taught us a great deal, as I said earlier, and when both the Yes and the No votes can be construed and are being construed as strong requests for constitutional renewal, we can approach the task not in a spirit, at least I hope not, of narrow regionalism. I do not think Canadians feel that way any more. I think we can approach it in a spirit of wanting to create through the kinds of policies, particularly in the economic sphere, that this country has been crying for for years—a new Canada. Thank you.

Some hon. Members: Hear, hear!

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I believe in Canada; I believe in Canada with the passion of a convert, like so many other new Canadians who have come to this country and who have chosen to become Canadians because of their faith, their hope, and their observations of the greatness of this land. I hardly need to dilate upon the greatness of this nation after the eloquent tributes that have been paid verbally today and the last day or so, and certainly I hardly need to expand upon it after the tributes that have been proferred, not only in this House, but, above all, by the votes that have been cast by the people of Canada in the province of Quebec, expressing their faith in the most excellent way, far greater than words could ever state, when they voted in the referendum, choosing for Canada.

Given this background I want to say that I will not trespass upon the tributes given to Canada, either by those who have spoken so eloquently in the House, or by those who have voted so eloquently in Quebec. However, I want to state that I believe in Canada as one who has become a Canadian, like so many others who become Canadians and who have come to this country, as I did in 1951, and in years before and after, people who have come with a faith and a belief, and have come to appreciate what Canada can do for them, and what a great and free land it is. I believe in this nation as those new Canadians do.

Perhaps I have that kind of concern that comes not just out of reason, that comes from those who have perhaps always lived here and look at their country with great satisfaction, but with something that comes from experience.

I was born in Switzerland and I lived in France just before the Second World War began. My father was the Protestant chaplain general of the French army. He saw that that nation, as I saw it, was, if you will, complacent; complacent with what it had, complacent with the way things were and, in fact, unwilling to make any changes that would adjust and permit it to face up to the world that was changing about it. My father paid with his life for his efforts to try to awaken France to the dangers of the complacency in that country. And so, perhaps, out of that experience as a child, seeing what could happen to what is called a great democracy, I saw also how great was the price that was paid. As Georges Santayana said, and as the words are immortalized on the gates of the prison at Dachau, "Those who cannot remember the past are condemned to repeat it."

• (2140)

It seems to me, therefore, that one has to say as a Canadian who was not born here, one has a love for this country that is the love of a convert. From having experiences and seeing what happened in other nations, one knows what a great country this is and one wants to be sure it does not happen here. Perhaps it was for this reason that I attended conferences in 1971 in an attempt to convince people of the need for dialogue among Canadians, to talk about what was separating us, what was making us different, and what would bring us back together again in a sense of sharing, understanding and cooperation. Perhaps it was for this reason, I would suggest, that I entered the political arena, to participate in this great dialogue which now, once again, is beginning in great earnest in this country.

Why? Not because of rational reasons, but because of experiential ones. And those who have not learned from the past are bound to repeat the mistakes of the past. Those of us who do not learn from the past of Canada are bound and doomed to repeat the mistakes that have been made in the past in Canada.

I believe that we are faced with two choices. On the one hand, we can enter once again into the trivial argumentation of constitutional haggling of small points and of fine points the unsuccessful route that we have followed until now, or perhaps we might take a bolder approach, and I suggest we do that.

A bolder approach would be to enter into a faith in a new country, to undertake a rebirth in this nation that would bring about a new Canada on this continent. In other words, we must look to transcend and overcome the past rather than to bicker about whether or not this belongs to me and that belongs to you. As we focus on what belongs to me and to you, we lose the vision of what belongs to all of us. This rebirth of a nation can come about in three ways. They are essential if this nation is really to come into a new life.

The first thing, I think, is to fight the threat from within. The only way a new nation comes into being is the same way, in fact, that some people in Quebec wanted their new nation to come into being, by fighting what people regard and perceive as injustices. If we intend to fight the enemy from within, we must correct the injustices of the past and present with a completely new approach, an open heart, and an openness toward one another. We must have the enthusiasm, the idealism of a population that wants to right wrong, obtain justice for all, and that perhaps has the same kind of inspiration which fired the separatist cause. We need a new spirit within, a moral appeal and a moral renewal.

The second way, I suggest, is by combating the external threats, by protecting our air space from pollution, by protecting our land from pollution, our offshore resources in the 200-mile limit, our fishing rights and our internal channels of communication in the north which some may wish to say are our international channels. We must waken and realize that we are being threatened from without, not by armies but by a

new form of danger, a new form of threat that can destroy us—pollution and destruction of our resources and the wasting of our country.

The third thing which we could do is to take pride in our country. This subject has already been mentioned, but it bears repeating. One does not create a new nation by trying to argue over what belongs to me and what belongs to you, but by grasping the vision and pride in this country of what we have achieved in the past and what we may be called upon to achieve in the future. We might be called upon to fight disasters, to increase our peace-keeping forces, to continue our work with refugees. We must continue to be concerned about the human rights of people in other nations.

Perhaps, Mr. Speaker, we are shortsighted because we have gotten used to it. We are shortsighted when we look at only our own concerns in this nation, instead of looking beyond and realizing that the world is being torn apart by tyranny, nationalism and regionalism. One need only look at countries such as Cypress and Lebanon, at countries like France with its problems in Corsica, and Britain which is being torn apart through Ireland and Wales with their nationalism, and even the Scottish nationalism—all of which was once the United Kingdom. We can look throughout the world and see one nation after another being torn apart by civil war. There are countries like Bangladesh and Ethiopia. The tragic list goes on and on.

Do we really think in this nation that we are immune from these forces which are tearing other nations apart, from the terrorism and violence which exists? If Canadians were to take the view of persons coming to this country from another country, if they could each step apart and aside and have the view of new Canadians, they would see this country for its totality. They have not become identified with its parts, and Canadians, too, would realize how important it is that we be united in a common cause.

We must look at the dangers that are without and come to appreciate the values which we have. It is only then that we can do, for example, what France was unable to do, to realize that the external threats and the threats of injustices from within will tear us apart like other nations, unless there is a renewal from within. We must renew our moral faith and develop a concept of a rebirth of goals, of our inner selves, each as an individual. It must begin with me, Mr. Speaker, and with you.

The problem will not be solved in this House. But the spirit that now prevades this House, of talking to one another, of really listening and not trying to find fault in the other, to see if we can hear something wrong in order to attack, and instead really trying to understand what the other person is trying to say, and helping that individual put it in the best possible light, that, Mr. Speaker, is dialogue. That is what will hold this country together.

I appreciate the rare privilege this evening of standing in the House of Commons. Though I was born in another land, I was permitted to adopt this land and I have had the good fortune of being able to stand in this House to speak on behalf of my riding and the many people in it who were either born Canadians or who came to Canada. I can say for them that we are grateful for what has happened in the last few days. I am grateful for the privilege of being able to add my few words of hope for a new country with a new start.

Some hon. Members: Hear, hear!

Hon. Erik Nielsen (Yukon): Mr. Speaker, it is perhaps fitting that I should be speaking at the tail end of this debate, because we in the north have been for so many years the tail end of the country. We are about to embark upon discussions with respect to the amending of the constitution of our country. I now make an appeal to be heard on behalf of Canadians who live above the sixtieth parallel.

The common southern conception stops at the sixtieth parallel, and the realization is not there that there are thousands of Canadians who live in Canada's two northern territories which comprise 60 per cent of our land mass. We have been treated by the government of the day as colonists. We have been defined judicially as colonists. I cannot help but compare that status with the progress that is being made throughout the world in the new nations which are emerging and which have a good deal less to offer to the development of a country than Canada's north.

The voice of northern Canada must be heard. It is represented in this House by three members, the hon. member for Nunatsiaq (Mr. Ittinuar), the hon. member for Western Arctic (Mr. Nickerson), and myself. With the advent of party politics in the Yukon, we now have a government leader who is very able to speak on behalf of our concerns. In the Northwest Territories that development is taking place quite rapidly and their elected representatives should also be heard.

• (2150)

It was notable yesterday when we listened to the remarks of the Prime Minister (Mr. Trudeau) and the Leader of the New Democratic Party (Mr. Broadbent) that no reference was made to the participation in any forthcoming talks with respect to the reform of our constitution of the elected representatives of the north. The former prime minister, the right hon. Leader of the Opposition (Mr. Clark) did make that reference—a reference which he seldom neglects to make when he speaks of the country as a whole.

The system which exists vis-à-vis the administration of northern Canada is archaic, to say the least, and repressive, to say the most. When we have elected representatives who must be present at the kind of federal-provincial conferences at whatever level through a minister who happens to come from Hamilton at the moment, this is simply not acceptable. It is no more acceptable than if I were to have the presumption to suggest that I could speak better for the residents of Hamilton and the riding which he represents.

Mr. Scott (Hamilton-Wentworth): Particularly that minister.

Mr. Nielsen: Particularly that one. As suggested by the former prime minister, the right hon. Leader of the Opposition

in his remarks yesterday, it is time to recognize that those Canadians living above the 60th parallel should participate fully in any conferences that are going to affect their lives as Canadians.

It seems to me the time is long past that we should be operating under a system which was discarded from 1879 onward. Since that date when Manitoba became a province at the insistence of the territorial movement of that time, there has been no further movement toward recognition, with full participation, of Canadians who are classified as territorials. Indeed, that classification puts us within the definition of what I believe to be second-class Canadians.

We have made some progress in the 1970s and a good deal of progress in the last year toward achieving some measure of determination which at least equates that of a municipal council in most parts of the country. We have a long way to go.

My pitch—so that it is not misunderstood—is not for immediate provincial status, but for a relinquishment of the Liberal philosophy of maintaining a stranglehold on the legitimate aspirations of northern Canadians to make decisions for themselves which their own municipal administrations, like provincial administrations, have the ability to make now. It is a simple question of fairness.

There are many thousands of Canadians in northern Canada, including many thousands of native Canadians, who want that kind of representation in any constitutional talks with respect to the reformation that is about to be conducted. That desire has been made known to the government opposite, I know, as it was to ours. Under the responsibility of the immediate former minister of Indian affairs and northern development, a good deal of progress was made toward achieving that equality which northerners have a right to expect in any democratic society.

The government leader in the Yukon has already communicated his desire to participate on behalf of the people of my territory—his willingness to participate in any constitutional reform talks that come up. While the Council of the Northwest Territories has not progressed to that stage in their development that we have in the Yukon, they too have elected representatives.

The time is long past, and I hope this course is not adopted by the government when it comes to the talks—I will not call them federal-provincial talks because they should not be that; they should involve a much broader representation than that—the time is long past when participants in those talks must be confronted with a *fait accompli* designed in the bowels of the Langevin Building. The time is long past when the talks must commence on the basis of a structured plan presented to those participating. The time has come when there must be a realization that the elected representatives of the people in the broadest possible sense, must be the designers of any reform that is to come about in our constitution—a constitution which, incidentally, has served us well, as has been pointed out by many previous speakers, particularly from this side.

Some hon. Members: Hear, hear!

Mr. Nielsen: It has served us well. The fathers of the BNA Act had remarkable foresight in designing a constitution which at the time was applicable to four provinces—Upper and Lower Canada and the two maritime provinces that participated. In 113 years we have progressed to the point where it needs updating but, as the hon. member for Rosedale (Mr. Crombie) said, it certainly does not deserve to be chucked out on the crest of the impetus we achieved on May 20.

My appeal tonight is that for the first time northern Canadians should be represented by their elected representatives, not by the bureaucrats in the Department of Indian Affairs and Northern Development, and not by any other bureaucrats at the table. I do not suggest they be full participants on an equal level with provincial premiers but I suggest that the elected representatives of the northern territories, those Canadians who live above the 60th parallel, should be heard in person. They should not be made sit behind the Minister of Indian Affairs and Northern Development (Mr. Munro) or behind any other minister, but should be heard in person and directly. We are Canadians.

Some hon. Members: Hear, hear!

Mr. Nielsen: As long as I have lived in the north, which is 28 years, we have been fighting to get into confederation when other parts of the country were actively trying to get out or thinking about getting out. We want to be heard, and we want to participate in the kind of constructive building of this nation which we know is possible and which we know is our future heritage. We have so much to offer in resources and in talent in this 40 per cent of our country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order. It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11) the proceedings on this motion have now expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LABOUR CONDITIONS—HEALTH AND SAFETY MEASURES TO PROTECT URANIUM MINERS

Mr. Maurice Foster (Algoma): Mr. Speaker, a few weeks ago, on April 30, I put a question to the Minister of Labour (Mr. Regan) and asked him how soon the government would

be moving to implement regulations relating to uranium miners concerning their health and safety. The minister indicated at that time that he hoped by May 30 there would be new regulations put in place to ensure the safety and health of the uranium mine workers in this country, especially in the province of Ontario so that they would be on an equal basis with those workers under provincial jurisdiction in other mining camps.

During the last several months there has been increasing concern that those uranium mine workers are working under a much less safe arrangement regarding health and safety regulations than those working under provincial jurisdictions. In fact, last August regulations were passed under part IX of the Ontario mining act, which has since become out of date because Ontario has moved on to Bill 70, the occupational health and safety act, which provides more up-to-date arrangements.

A few weeks ago we had a meeting attended by representatives of the United Steelworkers, and the Minister of Labour, the minister of mines and other representatives from the two operating mines in Elliot Lake to urge upon the minister that action be taken on this matter. At that time the minister gave an understanding or a commitment that he would look into a number of items, including a request that the whole question of the health and safety of uranium miners be put under provincial jurisdiction. It is very appropriate that this matter should be raised tonight when we have been talking today about the constitution and new arrangements between the federal and provincial governments, because the United Steelworkers of America believe that conventional occupational health and safety should be under provincial jurisdiction.

Also at that meeting the minister indicated that he would move to see if Bill 70, the provincial regulations bill, could be, by reference, appended to section 4 of the federal labour standards code. At the same time he indicated that he would review the decision of the former minister of labour authorizing the health and safety committees in those two mining operations in Elliot Lake. He has already moved to do that and I am pleased to see that that is under way.

I am concerned about the labour unrest that has resulted and the uncertainty there has been during the past few months, that he moves to reference these occupational health and safety regulations under Ontario's bill 70 and put them in place as federal regulations under the federal labour standards code so that we do not have two classes of miners in Ontario, but instead that we have them all operating with equivalent health and safety provisions. If the minister does this by the end of this month I am sure there will be great appreciation for that decision, certainly by myself and by the thousands of uranium mine workers employed in the Elliot Lake mining camp.

● (2205)

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I compliment the hon. member for Algoma (Mr. Foster) for having brought up this important question regarding the uranium miners in his riding, one which also affects all the uranium miners in Canada.

If I may, I will give a little of the background to put the subject into perspective before referring, in closing, to a decision which has been forthcoming from my minister.

Labour Canada's involvement in the uranium industry began with a legal opinion by the Department of Justice in October, 1978, that part IV of the Canada Labour Code applied to conventional occupational safety and health in uranium mines. Prior to that time, all aspects of occupational safety and health in the uranium industry were regulated by the Atomic Energy Control Board. This was accomplished by a clause in the AECB licence which required the companies to comply with all local, municipal and provincial laws. By this means, the provincial legislation in relation to mine safety applied to the Ontario uranium mines and was enforced by inspectors of the Ontario Ministry of Labour.

Subsequent to the legal opinion in 1978, the uranium mining situation was given top priority and immediate action was taken by the department to ensure the provision of services in the field of conventional safety and health. The hon. member drew attention to this in his own words.

At a January, 1979, meeting attended by representatives of the mining companies, the labour unions, Atomic Energy Control Board, Labour Canada and the Ontario Ministry of Labour, it was agreed that the existing provincial laws would continue to apply and be enforced by the provincial inspectors. This interim arrangement pertaining to the legislative requirements was formalized when federal regulations, which referenced the Ontario legislation, were proclaimed in August, 1979. At that time, however, it was recognized that new Ontario legislation would be in effect shortly and departmental officials planned to amend the federal legislation to reference these revised Ontario mining regulations. This approach was unacceptable to the union, which requested that the federal regulation be revised in a format that included the safety and health requirements in a detailed, clause-by-clause manner. Although departmental officials recognized that this would be very time consuming, it was agreed to proceed on this basis with a target timing for completion of late spring, 1980.

To resolve the conflicts that have arisen in the tripartite application of safety and health standards in the uranium mining industry of Ontario, it is proposed to place a submission before cabinet in the near future which would offer several alternative courses of action in the federal jurisdiction.

I hope this will be done at an early date so that the hon. member might soon convey to his constituents the decision taken at that time.

NATIONAL DEFENCE—WINNERS OF COMPETITION FOR DESIGN OF PATROL FRIGATE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my participation in the adjournment debate tonight will possibly not last even the seven minutes allotted for it. I am seeking some information. You may recall, Mr. Speaker, that on May

1, as reported at page 601 of *Hansard*, I asked a question and a supplementary question. Yesterday I telephoned the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) to inform her that my request for an adjournment debate related only to the supplementary question, not to the first question, so that the department could zero in on that aspect without wasting time answering the other portion.

● (2210)

As *Hansard* reflects, I asked the minister a question. He answered. I made some comment on the shortcoming of his answer, and then I went on as follows:

> Last November, as minister of national defence I sent a memo to the chief of the defence staff and the deputy minister ordering a study to be started on a new ship replacement program to follow on after the six frigate program was finished. An interim report was to be given to the chief of the defence staff by March 15 and to the minister by the end of June. Can the minister tell the House what progress, if any, has been made on this study, and if he has been briefed on it by the chief of the defence staff?

The minister replied:

> Madam Speaker, following my previous answer, the development of the frigate program follows a normal course and once the problem of the new fighters was settled I asked that the department to do its utmost to suggest all possible solutions about the frigates.

I am forced to the conclusion that the minister did not understand my question, and in the hurly-burly of the question period this is quite possible. That is why I have risen tonight to ask for a more detailed and a more explicit answer, and I presume by now they will have had time to apprise the minister of anything he might not have been apprised about before. I mentioned that I had sent the memo in November. I would like to correct that. It was October 29 that I sent the memo. As a result of that memo of October 29, only some three months later the chief of the defence staff instructed his subordinates to go ahead with the future ship study.

I do not wish to take up any more time of the House. I simply want to know, as I wanted to know on May 1, what progress, if any, had been made on this study and if the minister had been briefed on it by the chief of the defence staff.

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, I will try to answer as best I can the two or three questions asked by the hon. member for Victoria (Mr. McKinnon). I want to assure the hon. member again, just as I did the other day, that there is nothing delaying the normal progress of the Canadian patrol frigate program and, as I stated in this House only a short while ago, once a decision has been reached on finalists to enter a competitive contract definition, shipyards on both coasts and in Quebec will, no doubt, be negotiating production proposals with the prime contractors representing the industrial group finalists.

However, the decision in regard to the winners of the competition and the factors involved are still under consideration.

In respect of the study to which the hon. member referred in his question, I would like to inform him that I am acquainted with the nature of this study and its progress to date. A preliminary report of this study was submitted to the chief of the defence staff in mid-March, and I was assured that the completed study would be ready for my consideration by late June, as the ex-minister mentioned in his question on May 1. I would like to point out, however, that this is still the month of May, not the month of June, and I cannot see any reason why we should have a delay on this report.

I would like to point out further that far from delaying the progress of new equipment programs for the Canadian forces, since this government took office only three months ago it has selected a new fighter aircraft and made the decision to replace our fleet of two and a half-ton trucks.

Also, the former Liberal government approved the purchase of the Aurora long-range patrol aircraft, of which the first one will be delivered next week. The Leopard tanks and the armoured vehicles also represent something we have done.

During the seven-month period in which the hon. member was minister of national defence his government was unable to initiate any major equipment programs.

If you will allow me, Mr. Speaker, I would like to take this opportunity tonight to reassure hon. members of this House that, in view of the critical situation regarding forest fires in the central and western provinces, directives were given to our armed forces to be at the disposal of Canadian citizens in need of help, even if it means cancelling normal operations. When Canadian citizens are in need, it is a priority for the armed forces to help them.

To resume the answer to the hon. member for Victoria, the study he mentioned at the beginning of his question will, I think, be on time at the end of June, and then I think we could discuss the content of this study.

STATUS OF WOMEN—STUDIES ON EMPLOYMENT STRATEGIES FOR WOMEN

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I am raising the question of a women's employment strategy this evening because the situation facing women in terms of high unemployment, cutbacks in support services, and growing poverty, is reaching crisis proportions.

What are the facts? First, unemployment among women remains persistently higher than that for men, close to 9 per cent.

Second, women still earn only 58 per cent of men's wages, and according to Dr. Ratna Ray of the women's bureau of the Department of Labour, the gap is widening steadily.

● (2215)

Third, women's employment counselling and training programs funded under Outreach have dwindled away under Liberal and Conservative governments to the point where there are fewer than 12 left.

Fourth, job ghettoization is worse than ever with 71 per cent of women workers still concentrated in the sales, service, clerical and nursing occupations.

Fifth, technological change is placing jobs for women in even greater jeopardy and closing the doors to better paying and more interesting job opportunities.

Sixth, private sector corporations are succeeding in keeping women out of skilled trades and in hampering women's efforts to organize into labour unions.

While the situation facing women has deteriorated rapidly in the last decade, particularly in the last three years, both Liberal and Conservative governments have produced nothing more than vague promises, regressive cutbacks, and more rounds of studies. The decision by the current minister responsible for the status of women to carry out yet another study on a women's employment strategy with the assistance of Liberal vice-president Lorna Marsden, is of deep concern to me, for several reasons.

First, women have been promised an employment strategy many times during the last three Parliaments; by the former Liberal minister in March, 1979, by the former Conservative minister in November, 1979, and now by the current minister responsible for the status of women. The urgency of the situation requires the immediate implementation of job-creation and job-training programs for women.

Second, can the women of Canada look forward to action from a government that refuses to implement standards of equality among its own employees? The recent investigation of equal pay in the federal public service, and the growing number of complaints before the Human Rights Commission from women public servants suffering discriminatory wages, demonstrate that this government's commitment to equal pay for work of equal value and to job promotion for women is dubious. New programs and new standards in the public service are not necessarily needed. Rather, what is missing is the will to enforce existing programs and to demand departmental accountability. If enforcement is lacking in the public service, is it possible to expect this government to enforce affirmative action, job training and equal pay in the private sector?

Another concern is that this government and the minister responsible for the status of women have neither talked in terms of, nor made proposals for, a full employment policy such that everyone willing and able to work is able to find useful, rewarding, and decent jobs. In fact the opposite is characteristic of the Liberal government. Instead of publicly advocating that employment opportunities should be available for all women who want to or need to work, this government has helped to perpetuate the myths that women are secondary wage-earners, are the cause of high unemployment, are temporary aberrations in the labour force, and tend to abuse unemployment insurance benefits.

If the Liberal government has not yet adopted a full employment policy and has failed to develop a job-creation strategy, can we really expect a meaningful and serious employment strategy for women?

Finally, I question the need for yet another study on employment for women in view of the tremendous number of studies and recommendations that have already taken place. They include, one, a study of women returning to the work force by the Advisory Council in April, 1979; two, six major studies costing thousands of dollars prepared by the minister's own department outlining the elements of affirmative action and methods for implementing such a program; three, a report by the National Council of Welfare on Women and Poverty in October, 1979; four, an employment strategy for women by the National Action Committee on the Status of Women presented to cabinet in March, 1978; five, another employment strategy by the National Action Committee presented to the Prime Minister (Mr. Trudeau) on February 22, 1979; six, specific employment related proposals presented to the former Liberal minister in a letter dated March 23, 1979, from Yvette Rousseau, then head of the Advisory Council; seven, a brief by the Canadian Committee on Learning Opportunities for Women presented to the government on May 14, 1979; eight, "An Employment Service for Women", a paper done on contract for Status of Women Canada in July, 1979; nine, Towards Equality for Women, the Liberal government's own national plan of action presented in March, 1979; ten, a complete strategy for women's employment prepared by officials in the minister's own department, approved by the previous minister in the Conservative government and destined for cabinet consideration in December, 1979.

The last thing the new minister should need is more studies.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I thank the hon. member for her question.

[*English*]

The hon. member over-simplifies the situation of women in the work force when she suggests that implementation of all the government's previous studies should be undertaken immediately.

Implementation of such studies is impossible without some co-ordination and the assistance the department requires from those who act as consultants, co-ordinating past studies with present realities and policies. The employment situation of women is well known.

[*Translation*]

Working women are playing an increasing role in the economic life of this country. The rate of activity among women, that is the proportion of women of working age who are part of the labour force, rose from 23 per cent in 1953 to more than 43 per cent in 1978, and that is largely due to the fact that more married women entered the labour market. Working women total nearly 4.4 million and represent 39 per cent of all the labour force.

The fact remains that Canadian women still do not have equal opportunities on the labour market. Although the proportion of women on the labour market is expanding rapidly and approaching the proportion of men, big differences still exist between the two groups, particularly with respect to

employment opportunities, the kinds of jobs, salaries, working hours and promotion opportunities.

[*English*]

None of this work can be done overnight, nor can it be done without a co-ordinated and comprehensive strategy, one that is well planned and well thought out. This is the work the government is undertaking at the moment. We are in the process of implementing many of the recommendations of the past studies to which the hon. member has made reference. We are in the process of developing new co-ordinated strategies to improve the employment situation of women.

With regard to the plan of action to which the hon. member referred in her question, I would point out that, pursuant to the provisions of the plan of action, departments will be reporting their progress on the various initiatives to the minister by June 1, and then he will be making his report to cabinet. This will be the first of a series of annual reports to be made between now and 1985, the period covered by "Towards Equality".

Also I would add that the fact this present government would give the same minister responsibility for the status of women and the job-creation and employment strategy is a sign that we are trying to make a better relationship between the employment strategy and the status of women.

• (2220)

[*Translation*]

Thank you, Mr. Speaker.

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

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, May 23, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

REQUEST FINANCIAL ASSISTANCE BE PROVIDED TO ROCKWELL INTERNATIONAL PLANTS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of extreme urgency particularly in so far as the employees of Rockwell International, one of the plants in my riding, are concerned.

This plant is involved in the production of wheel discs and other auto parts for many of the large automobile companies. Since 1978, the number of employees at this plant in Parry Sound has been significantly reduced, from 220 employees in 1978 to 75 at present. On June 6 of this year, the plant will officially close. The Rockwell International plant at Bracebridge has also experienced severe financial setbacks in recent years, although I understand they will continue to operate. The plant at Parry Sound has on more than one occasion been outbid by a Rockwell International plant in Mississippi, a sister plant.

In view of the fact that this government has seen fit to give Chrysler Canada a $200 million aid package in an attempt to salvage the company, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government undertake a firm commitment forthwith to provide similar financial assistance to the Rockwell International plants in Parry Sound and Bracebridge, in an attempt to assist these plants to survive the profound financial difficulties that they are presently facing as a result of their having to compete with plants in the southern United States where the cost of labour is considerably less expensive.

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

Some hon. Members: Agreed.

Some hon. Members: No.

PARKS CANADA

GREEN FEES FOR GOLF COURSES—GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that green fees, on a seasonal basis, at the Green Gables golf course in Prince Edward Island—a course managed by Parks Canada—have risen by 50 per cent, from $110 to $165, while the provincially-run courses have risen by only 10 per cent and, added to that, the age for junior golfers has been lowered from 19 to 17, which means that an 18-year old golfer who paid $30 last year must now pay $165—a whopping 530 per cent increase which will undoubtedly keep young golfers off the course—I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House instruct the minister responsible for Parks Canada to immediately review and adjust the green fees policy for golf courses that come under the jurisdiction of his department, so that especially the young golfers will not be faced with such outrageously high fee increases.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT ASSISTANCE

LOANS AT INTEREST RATE CHARGED CPR—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I have a motion under Standing Order 43. In view of the fact that the Canadian Pacific Railway owes $31 million to the CNR, and are only paying an 11.75 per cent interest rate through a partnership agreement covering CN-CP Telecommunications, and in view of the fact that this interest rate is of great benefit to the CPR because it is substantially below the rate ordinary Canadians have to pay, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House require the government to lend money to Canadian farmers, home owners and small businesses at the same preferred rate that CNR is lending money to CPR.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

CRIMINAL CODE

CALL FOR COMMITTEE REVIEW OF GUN LAWS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, under the provision of Standing Order 43, to present an urgent and pressing matter.

Whereas the Magna Carta ensures that no man shall be dispossessed of his rights without the lawful judgment of his peers under the law of the land; and whereas, under Canada's gun laws, an officer does not have to secure a search warrant for a search of a person's home but only has to believe there is just cause for the search; and whereas an officer may search a person's home and, under the provisions of the gun laws, may seize all firearms held by him without even laying a charge; and whereas there are a number of other inequities and inequalities contrary to British justice in our gun control laws, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That the gun laws be referred for review and amendment to the Justice and Legal Affairs Committee at the earliest possible time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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PETRO-CANADA

REQUEST OPERATIONS BE EXPANDED—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, since Petro-Canada announced the good news yesterday that it will do the following soon: one, rename its Pacific 66 stations as Petro-Canada; two, adopt the maple leaf as its logo; and three, issue credit cards to Canadians—an action we have advocated for more than a year—I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

● (1110)

That the Goverment of Canada at last implement its campaign promise to expand the operations of Petro-Canada, particularly throughout Ontario, Quebec and the Atlantic provinces.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hnatyshyn: That is what we were trying to do all the time, and you would not go along with it.

AGRICULTURE

STEPS TO ENSURE SUFFICIENT SUPPLY OF FEED GRAINS AND FORAGE—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the serious threat of a severe drought in the prairie region this year and the possibility of a shortage of feed grains and forage, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the government take immediate steps to place a ban on the shipment of screenings from the prairies and build a stockpile of feedgrain to ensure a sufficient supply of feed for livestock producers in the west for this coming year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL GALLERY

PURCHASE OF INDIGENOUS NATIVE CANADIAN ART—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that many major art galleries of the world display indigenous native Canadian art, and that the Peter Jackson Golf Tournament and the Canadian Open also award Inuit sculptures as prizes, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the acquisitions policy of the National Gallery of Canada be changed to purchase indigenous native Canadian art, Inuit and Indian prints and sculpture, to be used as part of the permanent and travelling collection of the gallery.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STANDING ORDERS

ADDRESSING THE SPEAKER OF THE HOUSE OF COMMONS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, my motion is one I believe will receive the support of the whole House. I believe it deals with the objectives of all members of this chamber in seeing a more fulfilling role for women in our society, and particularly that this Parliament should lead in that way. It is in respect of our rule book of the House of

Commons Chamber which makes reference to members of Parliament and to Madam Speaker as "Mr. Speaker", which leads to so many of the, "Mr.—I mean, Madam Speaker" that we hear. I note on page 7 of the Standing Orders, as one example, the following:

When a member is speaking, no member shall pass between him and the Chair, nor interrupt him—

That is as if members of Parliament are male. Also on page 23, Standing Order 28 reads as follows:

Every member desiring to speak is to rise in his place . . . and address himself to Mr. Speaker.

Virtually every page makes reference to members or the Speaker as being male. Therefore, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That in the next printing of the Standing Orders of the House of Commons, which we encourage to be soon, the male gender in reference to members of Parliament and the Speaker be removed and replaced by articles of neutral gender so that reference may be made to either or both sexes.

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: I think we can correct those anomalies when the Standing Orders are reprinted. Of course, we do not have the same problem in French since the masculine gender encompasses the feminine gender, thus making the drafting that much easier. At any rate, I suppose we have the unanimous consent of the House to see to it that the Standing Orders reflect contemporary conditions a little more faithfully.

* * *

CANADA DAY

PROPOSAL THAT LEGAL STATUS BE GIVEN TO JULY 1—MOTION UNDER S.O. 43

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Madam Speaker, under the provisions of Standing Order 43, I ask for the attention and the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Since May 20, 1980, was a symbolic and historic day for the destiny of our nation, and considering that Canadians have reasserted their preference for a united Canada, I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That this House urge the government to introduce as soon as possible a bill which would give legal status to Canada Day on July 1.

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

[*English*]

EXTERNAL AFFAIRS

NEGOTIATIONS WITH DENMARK ON NAVIGATION IN MUTUALLY ADJOINING WATERS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that if Canada is to pursue the goal of energy self-sufficiency by way of the development of its Arctic resources, it may well in the near future become necessary to transport hydrocarbons through the Davis Strait separating Canada from Greenland, and because the government of Denmark has an interest in respect of tanker traffic in these waters not dissimilar from the interest of Canada off its west coast, I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That the Secretary of State for External Affairs be required by this House to speedily expedite negotiations with the government of Denmark with a view to reconciling the outstanding differences between the two nations regarding navigation in mutually adjoining waters.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL IMPORT POLICY OF GOVERNMENT—IMPORT COMPENSATION PROGRAM

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a question for the Prime Minister. The Prime Minister yesterday confirmed in this House that his government will phase out the oil compensation subsidy, and that the Canadian price for crude oil will be a blend of imported and domestic crude prices. This means the federal government will no longer contribute the estimated $3.1 billion or more for this year to cushion the impact on the consumer of higher imported costs.

My question is: where will that money come from? Will it be picked up directly by the consumers through high crude oil prices? Will there be some special tax or levy operating outside the Consolidated Revenue Fund, or will the producing provinces be requested to pick up this $3.1 billion?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, as the hon. member must know, it is the intention, following the current oil pricing negotiations with the provinces, to phase out the oil subsidy policy over a period of time.

Mr. Andre: Madam Speaker, I compliment the parliamentary secretary for hearing what his Prime Minister said yesterday in the House. However, that does not answer the fundamental question on which the Prime Minister was forthcoming yesterday but today, for some reason, refuses to be.

Perhaps the Prime Minister can answer this question. I trust the Prime Minister realizes that phasing out this subsidy—as he indicated to the House yesterday was the intention of his government—means that there will be a price increase, in respect of crude oil, of at least $5 a barrel before any federal government, provincial government or industry needs are met, and it means that his campaign promise of keeping crude oil price increases at less than $4 this year and $4.50 for each of the next three years cannot be met.

Is the Prime Minister prepared to indicate or admit to the House that he will, in fact, be breaking that campaign promise, along with the promise made on February 10 in a CBC radio interview that he would maintain subsidies during the 1980s as was done during the 1970s?

Mr. MacLaren: Madam Speaker, I do not know whether I can add very much to the answer I have already given.

An hon. Member: You weren't asked.

Some hon. Members: Oh, oh!

Mr. MacLaren: The fact is that the oil compensation program will be phased out over a period of time as part of the oil pricing negotiations that are now being conducted, and when conclusions are reached, the Minister of Energy, Mines and Resources will be reporting to the House.

Mr. Andre: I have a supplementary question, Madam Speaker. The parliamentary secretary keeps repeating what the Prime Minister said in the House. I am sure the Prime Minister recognizes that what we are looking for is additional information, because the consequences of what he said are quite profound on the people of Canada. Does he not believe he owes it to the people to explain what are the consequences?

Madam Speaker: Order, please. Will the hon. member please ask a question.

● (1120)

Mr. Andre: Madam Speaker, my question relates to an article by Jeff Carruthers, in this morning's *Globe and Mail,* that the government is planning a refinery gate tax to replace the excise tax, which will ensure that all users of petroleum, not just automobile users, will pick up the additional revenue requirements of the government.

Can the Prime Minister confirm that, in fact, his ministers are making these representations to the producing provinces for a refinery tax, which will ensure that not only drivers of cars with V-8 engines will pay an excise tax, but users of heating oil and those without automobiles will also pick up part of the cost of this needed government revenue?

Mr. MacLaren: Madam Speaker, the Minister of Energy, Mines and Resources has indicated to the House on a number of occasions that a number of options are being explored. Neither the energy package nor the process for implementing it have been finalized.

The refinery gate tax proposal is, of course, one possible option; but until conclusions have been reached on the current negotiations there will be no decision on that particular option or, indeed, on a number of other options which have been raised during the course of discussions in the House.

PHASING OUT OF OIL IMPORT COMPENSATION PAYMENTS—CONSULTATION WITH ATLANTIC PREMIERS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I, too, wish to address my question to the right hon. Prime Minister.

In view of the statement made by Premier John Buchanan of Nova Scotia that the gradual phasing out of oil import compensation payments, as announced by the Prime Minister yesterday, would be the death-knell for Nova Scotia's industrial base and, indeed, that of the whole Atlantic region, I would like to ask the Prime Minister: Was there any consultation with Premier Buchanan or any of the Atlantic premiers before this decision was taken, and is the government's stand irrevocable?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, in response to a somewhat similar question by the hon. member the other evening, I indicated that the oil compensation scheme as it affects the Atlantic provinces was a subject of discussion during the minister's recent visit to the Atlantic provinces, and that the views of the provincial governments were being fully taken into account.

Mr. Crouse: Madam Speaker, I hope the Prime Minister will answer my supplementary question, since it deals specifically with a statement made by him. Since the Prime Minister promised in Halifax on January 25, 1980, to establish a program designed to achieve energy security at a fair price for all Canadians, I would ask him this question. With what program will he replace the compensation payments, in order to relieve the financial shock on our people? Specifically, will he reintroduce the energy tax credit and the program to subsidize electricity generated from oil in the Atlantic region?

Mr. MacLaren: Madam Speaker, again, as the minister has indicated on a number of occasions, the details of the current oil pricing discussions—which affect all the provinces, the producing and the consuming—are under current review. It would be inappropriate at this time to give details of possible options that are being considered.

PETRO-CANADA

EXPANSION OF OPERATIONS—GOVERNMENT INTENTIONS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister which bears directly on one of his campaign promises.

Mr. Nielsen: He's not answering any today, Ed.

Mr. Broadbent: Having advocated that Petro-Canada have a maple leaf as its logo, distribute credit cards and change the name of its Pacific Petroleum stations to Petro-Canada, we in this party were delighted to learn that that company will be following through on these matters soon.

Considering that the Prime Minister promised, during the election campaign, that if elected his party and his government would take steps to expand the role of Petro-Canada, could he now tell the House more precisely what his government has in mind in this regard?

Some hon. Members: Hear, hear!

• (1125)

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I join with the hon. member opposite in welcoming the further evolution of Petro-Canada and the fulfilment of its commitment to develop its own identification in terms of the purchase agreement with Pacific Petroleum.

Any further evolution in the direction of additional retailing would be part of the normal corporate expansion of Petro-Canada, an expansion which we on this side of the House see as contributing toward the commitment we made to further Canadian ownership in the petroleum industry.

Mr. Broadbent: I had not realized, Madam Speaker, that we have a new Prime Minister in the House.

Some hon. Members: Hear, hear!

An hon. Member: Any change is for the better.

Mr. Broadbent: I hope the real Prime Minister will respond this time, because the answer we just received from the parliamentary secretary was completely at variance with the campaign commitment made by the Prime Minister.

Mr. Baker (Nepean-Carleton): So what is new?

Mr. Broadbent: The answer we got from the parliamentary secretary was that the decision to expand, if that is to happen, is to be made by Petro-Canada alone. That is different from the Prime Minister's commitment, which was that it would be government policy to make sure there was an expansion.

I should like to ask the Prime Minister if the government holds to its policy commitment to expand Petro-Canada; and, specifically, since all Canadians east of Thunder Bay in Ontario, Quebec and Atlantic Canada, are denied the possibility of buying oil and gas from the company they own and control, will the Liberals expand Petro-Canada into those parts of our country?

Mr. MacLaren: Madam Speaker, if the hon. member opposite will look at *Hansard* he will see that I, in fact, said that the possibilities of moving toward a greater degree of Canadian ownership in the oil industry in Canada will find expression partly through the expansion of Petro-Canada and partly through various incentives which will promote Canadian ownership in the industry.

As far as retailing in eastern Canada is concerned, we would look toward the possible involvement of Petro-Canada in that area as part of the normal corporate expansion of the company.

Mr. Broadbent: It is obviously Friday, Madam Speaker. Either the Prime Minister is suffering from some sedentary disease, or his miasma is bothering him—one or the other. I should like to put the question to the parliamentary secretary, because we are obviously going to get nothing from the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the only way Petro-Canada has got to the position it holds in our country is by buying out one of the pre-existing large firms, and since the Liberals were content to state that they wanted it to become No. 3 in the industry, while we wanted it to be No. 1—but since to choose either group requires buying out one of the multinationals—I should like to ask the parliamentary secretary if the government will direct Petro-Canada to take immediate steps to buy out one of the multinationals as soon as possible. It could possibly begin with Petrofina, which has a modern refinery in the province of Quebec and has outlets in eastern Canada that could provide a real service to Canadians.

Mr. MacLaren: Madam Speaker, as the hon. member knows, the expansion of Petro-Canada has come about as a result of a number of initiatives, not merely the acquisition of a major, foreign-controlled corporation. The possibilities of further expansion have been underlined by the additional financing which this government has provided to Petro-Canada, and the possibilities of acquisition are, of course, always available.

Those possibilities, however, are of a commercially confidential nature, and any discussions that might be going on now or later would only be announced when they have been completed.

Oral Questions

ADMINISTRATION OF JUSTICE

McDONALD INQUIRY—CABINET MEMBERS WHO MAY HAVE BROKEN LAW

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should like to direct my question to the Prime Minister, or whichever parliamentary secretary he designates to answer.

In view of the statement of Mr. Justice David McDonald, which indicated his commission was going to make public the names of any cabinet ministers, Mounties or officials it considered had broken the law, could the Prime Minister tell the House whether he or any parliamentary secretary has received any information from the commission with respect to any present cabinet minister who, in its opinion, has broken the law?

● (1130)

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the McDonald commission has not yet issued its report; and that would be one of the matters that would be included in the report if, indeed, it is dealt with at all.

An hon. Member: Answer the question.

Mr. Kaplan: It would be by way of report. No findings have been made by the McDonald commission that have been brought privately to the attention of the government.

Mr. Hnatyshyn: Madam Speaker, Mr. Justice McDonald has indicated that almost all the evidence involving possible offences has been made public, even the information heard in-camera—in private. I want to know whether the Prime Minister or the government—whoever the spokesman is this morning—is, in fact, conducting its own investigation with respect to the implication of charges being laid against any cabinet minister now sitting on the treasury benches.

Second, what is the position with respect to any cabinet minister whom the commission indicates has, in its opinion, broken the law? Is it the intention of this government to ask for the resignation of any such cabinet minister still sitting in the cabinet ranks?

Mr. Kaplan: Madam Speaker, that is a very speculative question. As I indicated in my earlier answer, the commission has not yet made its report and no private report has been made by the commission.

My colleague, the Minister of Justice and Attorney General, indicated in the House recently that any action taken by the federal government would await the report of the McDonald commission, and that is the general position of the government.

NATIONAL SECURITY

STATUS OF CASE CONCERNING PROFESSOR HAMBLETON

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I have a question for the Solicitor General. In view of the Officials Secrets Act charges that were pursued against Peter Treu, pursued against Peter Worthington, editor of *The Toronto Sun*, and almost pursued against myself as a member of this House, will the minister give the House all the reasons why the government has closed the case against Professor Hambleton, of Montreal, who confessed to a representative of *The Ottawa Journal* that he had been a KGB agent for 30 years and that he did it for kicks?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am very familiar with this matter. It is an operation known to the RCMP as Operation Red Pepper. The Department of Justice officials and law officers looked at all the matters that were uncovered by the RCMP that were made known to me, and there was nothing there that would form an adequate basis, in the opinion of justice officials, for a successful prosecution under the Officials Secrets Act. For that reason, no charges were laid under that act.

Mr. Cossitt: Madam Speaker, in effect, the minister is saying that the work done by the RCMP, the many raids and seizures, was to no avail. May I say, in prefacing my supplementary, that it is inconsequential whether things were classified or unclassified, as the minister may want to put it.

Will the minister tell the House whether it is government policy to permit certain persons to cavort around with Soviet agents, give them material—and certainly the minister will admit that happened—and yet be completely free of any consequences, when they are actually working against the interests of this country? I ask, why does the government do that?

Mr. Kaplan: Madam Speaker, first, there is a question as to whether any official secrets at all were obtained to be given to foreign governments. Second, there is a question of whether any of the information that was given, secret or not, was damaging to our country. Third, there is a general recognition in this House and elsewhere of some of the problems that we have had with the Official Secrets Act. The last three prosecutions under that act have been unsuccessful. The McDonald commission has recommended some changes to the act in the report that it put forward recently. Those recommendations are under consideration by the government.

It has already been indicated in this House that we propose to bring forward amendments to that act which will make it more effective. For all of those reasons, no action was taken in this matter. Canada is a free country, and anyone can talk to whomsoever they want and cavort with whomsoever they want without necessarily breaking any Canadian laws.

FISHERIES

CANADA-U.S. EAST COAST FISHERIES TREATY—EFFECT OF NON-RATIFICATION

Mr. Mel Gass (Malpeque): Madam Speaker, I should like to direct my question to the Secretary of State for External Affairs as it concerns the vitally important Canada-U.S. east coast fisheries treaty.

Can the minister inform this House whether or not the minister's American counterpart has been informed that the Canadian Minister of Fisheries and Oceans, without brandishing threats, has revealed that he may be forced to "turn loose" Canadian fishermen in the Georges Bank area next year if the U.S. Senate fails to ratify the treaty soon?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I think I should answer this question, because the quotes used in *The Globe and Mail* this morning were rather serious distortions of the answers I gave yesterday to the press in Halifax.

I indicated that if the treaty was not ratified, and therefore did not bind either side, then obviously we could not hold our fishermen to a percentage of the scallop fishery when the Americans were not holding back their own fishermen. Those were not threats; that is a reality.

Mr. Gass: I should like to direct my supplementary question to the Minister of Fisheries and Oceans. Realizing that the minister has been quoted, or misquoted, in today's *Globe and Mail* as saying "fishermen are hard to control", I ask: is that a direct quote? Is it correct, or incorrect?

Can the minister explain to this House how, and under what conditions, Canadian fishermen will—quote or misquote— "be turned loose" in the Georges Bank area; and will this turning loose of Canadian fishermen lead to an abandonment of good conservation practices so that the Canadian effort will drastically outweigh the American fishing effort in the area?

Mr. LeBlanc: Madam Speaker, certainly, if I said that fishermen were sometimes difficult to control, I do not back away from a statement like that. I think all countries find that their own fishermen are pretty energetic when they are out there on the fishing ground, particularly the ones from the area in dispute. They are very good fishermen.

I do not remember saying, and I do not think it is a phrase I use in my vocabulary, "turning fishermen loose". I always very cautiously approach this area and this subject by using the expression that we cannot allow the increase of effort on the part of U.S. fishermen to put us in a position of having a sort of historical right if a new treaty or new arrangements have to be negotiated in case of non-ratification by the U.S. Senate. It is for that reason that we may have to redress the balance. But nobody wants to turn anybody loose and destroy the fishery: that is why we have kept our fishermen very much under strict conservation measures in the past few years.

Oral Questions

CONSUMER AFFAIRS

INCREASE IN INTEREST RATES OF DEPARTMENT STORES AND OIL COMPANIES—DETRIMENTAL EFFECT ON CONSUMERS

Mr. David Orlikow (Winnipeg North): Madam Speaker, in the absence of the Minister of Finance and the Minister of Consumer and Corporate Affairs, I should like to direct a question to the Prime Minister.

An hon. Member: He is not talking today.

Mr. Orlikow: Yesterday, the chartered banks prime lending rate was reduced to 13.75 per cent, with accompanying drops in consumer loan rates—a trend welcomed by most people. Yet organizations such as Visa, Master Charge, the department stores and the major oil companies—Shell, Gulf and Esso—are still planning to increase their annual interest rate charges to 24 per cent a year.

Will the government discuss with these companies this completely unwarranted policy, which will adversely affect tens of thousands of Canadians with whom they deal, and will the government urge these companies to stop what can only be described as a legalized form of loan-sharking?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, as the hon. member has indicated, we have witnessed recently a number of very substantial reductions in interest rates. The particular problem which the hon. member has mentioned is one which I feel is likely to ease in the marketplace as soon as pressures on interest rates diminish, and it is clear that the service charges that banks and corporations levy on credit cards will also gradually diminish. Indeed, the Minister of Consumer and Corporate Affairs is zealously watching over this matter, he is very much concerned about it, and he will certainly not fail to take steps to stop any possible abuse.

[*English*]

Mr. Orlikow: Madam Speaker, a Visa spokesman is quoted today as saying that the decision to increase rates is made in terms of a six-month period, and they have no intention of reducing their rates. The cost of living is increasing at a rate of almost 10 per cent a year. Canadians who make a living through earnings wages and salaries are being urged to exercise restraint in their wage negotiations. Therefore, should not Canadians be able to expect that these powerful corporations whose profits are running at an all-time high should also show some restraint? Can we expect the government to make very strong representations to these companies to moderate the demands they are making on their customers?

• (1140)

[*Translation*]

Mr. Bussières: Madam Speaker, naturally the intention of the government to continue fighting against inflationary pressures does not apply only to workers who want higher wages.

The example the government sets in restricting its expenditures and in its administration should be followed by everyone, especially by the big companies which are in a position, in some instances, to increase their profits. Of course all companies, whether in the banking, petroleum or other industrial sectors, are being asked to join in the efforts of the government as well as those of the workers in moderating their expectations and, in so doing, to help the fight against inflation so that in the not too distant future our economy might be healthier.

* * *

[*English*]

INDUSTRY

ACTION TO AVOID LAY-OFFS IN AUTOMOBILE INDUSTRY

Mr. Otto Jelinek (Halton): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce, if he could find his way to his seat. I notice the Prime Minister is able to talk to him, but not to answer to the opposition.

Some hon. Members: Oh, oh!

Mr. Jelinek: In view of the fact that over 30,000 Canadians within the auto industry are now out of a job, or will be in the near future, and more lay-offs are still being contemplated even as of this weekend, can the minister tell us what specific action, other than the questionable financial aid package to Chrysler—who, by the way, as the minister knows, laid off another 1,400 people less than 48 hours after receiving the guarantees—or what direct action for the whole auto industry he and his government are taking at this moment in order to ease the over-all impact of these massive lay-offs in Ontario and across the country?

Is the minister, for example, considering the implementation of quotas on offshore imports of automobiles?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think that our efforts to help the auto industry and its workers have to be carried out in the context of the severe difficulties the industry is having in North America generally.

My hon. friend seems to ignore the reality that there are over 200,000 workers laid off in the United States. We are not talking about something that is simply a Canadian problem. We are working very actively to deal with the needs of the Canadian industry and the Canadian workers. We are going to begin, shortly, our consultations with the United States in order to try to achieve an operation of the auto pact which will be more satisfactory from the Canadian point of view. We are working to set up a special investment panel under the enterprise development fund to help the independent Canadian parts manufacturers.

With respect to the hon. member's specific question, we are examining the whole range of options. However, we want to be very careful we do not take a narrow, protectionist point of view that will hurt our export-based industries and threaten the jobs of a lot more workers.

Mr. Jelinek: Madam Speaker, the government imposed quotas on textiles and shoes, yet there is only talk as far as the auto industry is concerned, and no action. In the absence of the Minister of Finance, I would like to put my supplementary question to the Minister of State responsible for finance.

Could the minister tell this House whether or not his colleague, the Minister of Industry, Trade and Commerce, has requested the Minister of Finance or the department to consider implementing some much needed stimulative measures for the auto industry in Canada, such as temporarily removing the 9 per cent federal excise tax on North American-built vehicles, eliminating the extra $100 tax on auto air-conditioners, or any other measures which would give the auto industry a much needed stimulative boost? If the minister of trade has not shown an interest, would the minister, on behalf of the Minister of Finance, now be prepared to take such action?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the Minister of Industry, Trade and Commerce is working strenuously on an industrial strategy. He has already proved, in the case of the Chrysler Corporation, just how willing he is to devote his energy and efforts to solving the problem in the automobile industry. Still, I should like to remind the hon. member that with regard to the very specific question he has put, the present government does not want to work in a field like that one, specially under the inspiration of the present Minister of Industry, Trade and Commerce, in a piecemeal fashion, putting bits and pieces together in the hope of bringing temporary relief in the face of such a serious problem. Of course, the Minister of Industry, Trade and Commerce has held very serious discussions with the Minister of Finance on some of the steps that could be taken to help or support his industrial strategy, particularly in the automobile sector. Those measures are now being discussed and the Minister of Finance, when he brings down his budget, will announce what specific measures have been accepted.

* * *

[*English*]

EMPLOYMENT TAX CREDIT

MEASURES TO PREVENT ABUSES OF PROGRAM

Mr. Ron Stewart (Simcoe South): Madam Speaker, I would like to address this question to the Minister of Employment and Immigration. I am sure he will not be leery about answering it.

The minister was in the House on April 30, 1980, when the hon. member for Athabasca drew to his attention flagrant violations of the employment tax credit program. In view of the large number of false claims and errors made under the employment tax credit program during the past fiscal year, I

would like to ask the minister what measures are being considered to prevent such abuses in the future.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows, Madam Speaker, the extension of the employment tax credit bill is presently before Parliament for decision. Until we are able to gain the co-operation of the hon. member and his colleagues in terms of passing that bill, we cannot implement any additional measures because, in fact, we do not have a decision in effect right now. When we gain that co-operation and get the bill into effect, we will be introducing measures to make sure there are none of the violations the hon. member talks about.

Mr. Stewart: In the absence of the Minister of National Revenue, I will direct my supplementary question to the same minister. I would like to know if he is aware of a study being done now pertaining to the number of false claims and errors under the employment tax credit program; and when the study is completed, does he plan to table the report on it in the House?

Mr. Axworthy: Madam Speaker, we have an evaluation of the program. There was an interim report several months ago when hon. members opposite were in government. We hope to have a final evaluation report in a matter of two or three months. I would certainly be prepared to make it available to members of this House.

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CANADA MORTGAGE AND HOUSING CORPORATION

RENT INCREASES FOR APARTMENTS IN TORONTO

Mr. Neil Young (Beaches): Madam Speaker, my question is directed to the Minister of Public Works, who is also the minister responsible for housing. On two different occasions I have written to the minister on behalf of the 1,200 apartment dwellers who live in Main Square, metro Toronto—many of them senior citizens and handicapped persons—who were recently notified that they face a 12 per cent increase in their rent.

How can CMHC, the official landlord of this building, reconcile gouging these people by more than double the rent increase permitted most landlords under Ontario law?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I will take the question as notice. I have not been able to respond to the hon. member opposite with particulars thus far. CMHC, together with the provincial government through its housing corporation, is jointly involved in the project. I hope to have an answer which will be satisfactory within a short period of time.

Mr. Young: Madam Speaker, I am sure the minister will also take notice of this supplementary. I am also sure the minister is aware that this scandalous increase will raise rents to unaffordable limits for most of these tenants. In addition, they are now being required to pay the first and last month's rent as soon as the leases come up for renewal.

● (1150)

Will the minister assure the House that he will intervene in this matter and rescind both of those actions by CMHC?

Mr. Cosgrove: Madam Speaker, of course, I cannot give that undertaking unequivocally. I will, however, take notice of the hon. member's request.

I would like to say that the obvious intention of the corporation is to try to bring some equity to its portfolio and to take rent to where it feels people can pay and to where it is justified. It would assist the corporation, for example, to respond to some of the hon. member's colleagues who have asked for assistance in other areas, for example, in non-profit housing.

* * *

AIR CANADA

REQUEST RETIREMENT AGE OF PILOTS BE EXTENDED

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is to the Minister of Transport. In view of the fact that airline pilots employed by Air Canada must retire at age 60, yet the same pilots can be hired by the subsidiary company, Nordair, and continue employment until age 65, would the minister tell this House why the discrepancy in ages, and would he agree to take appropriate action by possibly extending the retirement age of Air Canada pilots to 65 provided they meet all the mental and physical health standards?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is fortunately, or unfortunately—I do not know which—no regulation on that subject on the books now: decisions are left to the initiative of the various companies. Some retire their pilots at 55, others at 66, others at 65. I really have no strong view this morning on that particular subject.

* * *

EMPLOYMENT

SHORTAGE OF CHICK SEXERS—GOVERNMENT ASSISTANCE TO HATCHERIES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is to the Minister of Employment and Immigration. As the minister may know, it is very difficult to determine the sex of a chick; that is to say, a young chicken. This has created a major difficulty in the hatchery business in Canada and there have been attempts for over one year to resolve this situation through the department.

As there is an acute shortage of competent chick sexers, and as chick sex training is not done in Canada, is the minister prepared to give some relief to the hatcheries—and to the chickens?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, while I would have to say that this is not the most pressing crisis facing Canada, I am prepared to admit that there may be a shortage of chicken sexers in this country. As the hon. member knows, it is the policy of our government to make sure that Canadians have the first opportunity to obtain any jobs that are available.

If it is true that Canadians have not yet shown an aptitude or inclination to become chicken sexers, then I am quite prepared to investigate and to assist the hon. member in determining how we can attract chicken sexers from offshore. I hope the investigation will prove that in fact Canadians can open up a brand new line of work for themselves.

* * *

TRANSPORT

STUDY OF "AT AND EAST" FREIGHT RATES

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to address my question to the Minister of Transport. It is the same question I would have asked him in Committee of the Whole when he had his officials with him. Could the minister inform the House whether he is planning to refer the "at and east" freight rates to a commission or a committee of inquiry?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I did not catch the words before "freight rates".

Mr. Nielsen: It wouldn't make any difference anyway.

Mr. Jelinek: You wouldn't answer it in any case.

Mr. McKnight: Madam Speaker, by way of clarification for the minister, "at and east" freight rates are like the Crow freight rates in western Canada. Due to his commitment in this House to hon. members that he will study the Crow rate, would he make his intentions known as to the subsidy on the Atlantic and eastern grain and flour subsidy?

Mr. Pepin: That might be a good idea, Madam Speaker.

* * *

INDUSTRY

PROPOSALS TO EXPAND CANADIAN LUMBER MARKET IN MEXICO

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I should like to address my question to the Minister of Industry, Trade and Commerce. In view of the current high levels of unemployment in the forest industry, particularly in the lumber and plywood sectors, which serve to re-emphasize the importance of diversifying our markets for these products, and considering that Mexico is, and will be, the recipient of massive inflows of capital due to large increases in the sale of oil—thus allowing for increased spending and catch-up in areas of social need such as housing—will the minister undertake to see that a Canadian trade delegation is sent to Mexico in the near future in order to seek open and expanded markets for Canadian lumber and plywood, in combination with a program to build demonstration homes in Mexico using Canadian lumber and construction crews to encourage interest and develop experience in frame construction and in Canadian lumber and plywood, similar to past experiences with regard to Japan which were certainly successful?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will certainly be encouraging the sending of delegations to Mexico to pursue these types of initiatives, and I will be working on this with my colleague, the Minister of the Environment, who is responsible for forestry.

Mr. Kristiansen: Madam Speaker, I think the minister will understand that it is important in these matters to get there the "firstest with the mostest". Will the minister now undertake to have this subject and the trade of Canadian lumber and plywood raised in negotiations with the Mexican delegation in Canada during this upcoming week?

Mr. Gray: Madam Speaker, I and the Minister of State for Trade will be having several working sessions with the Mexican delegation, and this is one of the subjects I will seek to have actively pursued.

* * *

COMMUNICATIONS

PROGRAMMING AVAILABLE FOR CANADIANS WITH HEARING HANDICAP

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of Communications. May I ask the minister what he is doing to increase the stock of programming available for the 1.5 million Canadians who are hearing handicapped?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question. I would like to tell him, in response, that the research sector of my department is aware of the problem. We are most interested in coming up with a captioning system for the hearing handicapped as soon as possible.

It is our feeling that the Telidon terminal system could be adapted and developed in such a manner as not only to use the spectrum for caption purposes, but also it could be used at the same time to provide additional services to the hearing handicapped which would go beyond the type of services provided by the American-developed Decoder which was done through the PBS in the United States.

Mr. Beatty: Madam Speaker, in view of the fact that some 70 per cent of Canadians who are deaf are within range of American television signals, either off air or over the cable, where they would be able to have access to programming which is closed-captioned at the present time, and in view of

the fact that some 25 hours per week of closed-captioned programming will be available from American sources before the end of this year, may I ask the minister what sort of time-frame he is looking at for getting the Telidon system onto the market?

Mr. Fox: Madam Speaker, we hope to have the Telidon system developed as soon as possible. In the meantime, if there are American Decoders available to people who have impaired hearing problems in this country, we would not wish to stand in the way of their using the American system.

* * *

UNITED NATIONS

SPECIAL SESSION ON INTERNATIONAL DEVELOPMENT—GOVERNMENT POLICY

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Secretary of State for External Affairs. The United Nations shortly will hold a special session on international development.

I would like to ask the minister what steps the government is taking to prepare a government policy for this session, particularly with respect to the report of the Brandt commission. The Brandt commission was composed of a distinguished international assemblage including, among others, Edward Heath, the former British prime minister, Joe Morris, the former president of the Canadian Labour Congress, and Shridath Ramphal, the Commonwealth Secretary-General. It reported that the reshaping of worldwide north-south relations is crucial to the future of mankind. What role will that report play in the formulation of government policy?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I want to assure the hon. member that the government's view of the Brandt report is that it is a very important document indeed, and we are devoting a great deal of attention to it.

As the hon. member will know, we have agreed to the setting up of a special committee of this House—I believe it has already been set up—which will look into the question of the north-south dialogue. We hope to have some advice from that special committee before the special session takes place. In the meantime, we are continuing work on it within the government.

Mr. Roche: Is it government policy to support the chief recommendation of the Brandt commission, that there be a summit conference of about 25 north and south world leaders on this critical question? Also, is it government policy to support the four emergency priority items cited by the Brandt commission, namely, an increase in resource transfers, an international energy strategy, an expanded food production program, and the reform of international financial institutions? Is it government policy to proceed on those two particular recommendations?

Mr. MacGuigan: Madam Speaker, I do not at this time want to state what government policy will be with respect to the Brandt report, except to say that we are working with some other countries on the idea of a world conference.

• (1200)

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT NOTICES OF MOTIONS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I would rather have Motion No. 5 considered as the first item on the orders of the day.

Madam Speaker, yesterday I gave notice of two motions and after consultation I think there would be unanimous consent to accept at this stage those two motions without debate and without having to read them in full. The first one is very short however, and that notice was given following a request by my hon. colleague for Nepean-Carleton (Mr. Baker). He also asked that the Standing Committee on External Affairs and National Defence be empowered to receive and examine reports from official delegations. That notice of motion appears at page VIII of today's order paper and there is unanimous consent for that motion to go through without debate.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to thank the parliamentary secretary for granting that request. That is the understanding.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I join with the hon. member for Nepean-Carleton (Mr. Baker) in thanking the government House leader for putting down this motion. It represents something that we have tried for many years to establish. It was started in the last Parliament, we are glad to have it now and we support the motion.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REFERENCE OF REPORTS FROM OFFICIAL CANADIAN PARLIAMENTARY DELEGATIONS TO STANDING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council) moved:

That the Standing Committee on External Affairs and National Defence be empowered to receive and examine reports from official Canadian Parliamentary delegations which have met with delegations from foreign Parliaments or attended inter-parliamentary meetings, and to report from time to time thereon.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

HOUSE OF COMMONS

APPOINTMENT OF PARLIAMENTARY TASK FORCE

Hon. Yvon Pinard (President of the Privy Council) moved:

That special committees of the House of Commons, each to be composed of seven members to be named at a later date, be appointed as follows:

(1) To act as a Parliamentary Task Force on Regulatory Reform to examine and report upon government regulation in order to minimize the burden on the private sector, including:

—the objectives, effectiveness and economic impact and expanding scope of such regulations;

—alternative techniques for achieving regulatory objectives;

—ways by which overlap of federal and provincial jurisdictions may be eliminated;

(2) To act as a Parliamentary Task Force on Alternative Energy and Oil Substitution to explore and report upon utilization of alternative energy sources such as "gasahol", liquefied coal, solar energy, methanol, wind and tidal power, biomass, and propane for heating oil and vehicles, with special attention paid to the feasibility, the impact on balance of payments and over-all economic desirability;

(3) To act as a Parliamentary Task Force on North-South Relations to examine and report upon the relationships between developed and developing countries in the areas of:

—Food, including production and distribution, food security and food aid;

—Energy, including international co-operation to increase energy production, diversification of energy sources, energy assistance to the non-petroleum producing countries;

—Trade, including export earnings of developing countries, protectionism, market access, adjustment and employment;

—Payment balances, including recycling and deficit financing;

—Development issues, including official development assistance and assistance to the most poor

and other such matters that are being negotiated in several international fora and to recommend practical and concrete steps that Canada can take to contribute to the success of these negotiations;

(4) To act as a Parliamentary Task Force on Critical Skills for the eighties to examine and report upon shortages in skilled trades and higher-skill occupations in Canada in view of economic development requirements in the 1980s and to recommend initiatives that the committee sees fit, to review existing federal policies and programs intended to deal with skill shortages and to seek the views of industrial, labour, voluntary, human resource and educational specialists in this matter;

(5) To act as a Parliamentary Task Force on the Disabled and the Handicapped to evaluate the scope and effectiveness of existing government programs for the disabled and handicapped, as well as the degree to which they interlock with voluntary programs and services, with the objective of suggesting measures to improve the quality of services provided to such persons, provided that the examination shall include the following subjects:

—fundamental and civil rights

—employment opportunities

—vocational training

—business incentives

—income supplement programs

—health services and medical rehabilitation

—quality of life of institutionalized persons

—community support services

—access to public buildings and services

—co-ordination within and between jurisdictions

—transportation

—housing;

That the committees shall have all of the powers given to standing committees by section (8) of standing order 65;

That the committees have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the committees, their sub-committees and members of the committees have the power, when the committees deem it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the committees, sub-committees or members of the committees, as the case may be;

That the provisions of sections (4) and (9) of Standing Order 65 be suspended, unless otherwise agreed to by a said committee, in application to the said committees; and

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the committees is completed, the committees may make the said report public before it is laid before the House, but that, in any case each committee shall report to the House finally no later than December 19, 1980.

He said: The second motion, Madam Speaker, is the result of rather extensive consultations with my colleagues, the parliamentary leaders of both opposition parties. I just want to take this opportunity first to say that there is unanimous consent for that motion to be passed today and to thank them for the parliamentary spirit they showed during those discussions as well as their co-operation which enabled us to reach that agreement. Briefly, the purpose of this motion is to set up five small task forces which are intended to be action groups and are going to report in very short order, that is, on or before December 19, 1980. That is going to allow us to use the talents of hon. members in this House and is going to provide for the participation in particular of members from western Canada in the elaboration of policies relating to major questions. So, Madam Speaker, the purpose of this very long motion is to set up those five task forces that are going to be reporting to Parliament, and once again, I appreciate the co-operation of my colleagues which enabled us to reach that result.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, this is an important matter, notwithstanding the subject matter of the parliamentary task forces as they are described in the motion. What is important is that the government have agreed—I am glad they moved away from the position which was initially taken by the Prime Minister (Mr. Trudeau) in the House—that these special committees, as they are called in the preamble, of the House of Commons will now, in fact, be under the rules of the House of Commons modified to fit the particular requirements of the task forces.

I think it is important that everyone in the House understand that they are to be parliamentary, and thus Parliament

will not be bypassed. I am satisfied that the government House leader has exercised persuasion on his colleagues with respect to that, and on behalf of the House I want to thank him for that because I think it is quite important that the original concept of these committees be changed and that they now report to Parliament rather than to a minister. Ministers may, if they want, take the advice of the committees or they may reject it, but it is an indication that the House has made a breakthrough on something which started most unfortunately but has now ended fortunately.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the order of the day at the moment seems to be one of patting each other on the back. The government House leader thanks us on this side for having looked at this matter in a parliamentary way, but we must thank him for having seen the wisdom of the point that we were making and for having been able to persuade his colleagues of the validity of that position.

As has been pointed out, the original idea of the government was to have parliamentary task forces which would be responsible to a minister. We liked the idea of the task forces but we objected to their being handmaidens of the minister. We wanted them to be parliamentary committees and the government has come to that position. The motion is in a form of language which protects everyone's position and we are happy to see these task forces being set up.

We approve of their being given a time limit within which to report, and we also approve of the right of each committee, if it wishes to do so, to make public its report when its work is finished, even if Parliament is not sitting at that time. I believe it was also understood that, although there are just five parliamentary task forces set out in this motion, a sixth one is in prospect having to do with trade. It is awaiting the return of the minister concerned so that the terms of reference can be outlined. When a similar motion is made under that subject we shall agree to it as well.

[*Translation*]

Madam Speaker: If I understand correctly, there is unanimous consent of the House to pass the motion introduced by the hon. President of the Privy Council (Mr. Pinard).

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 103, 200, 285, 293 and 294.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

ELECTRICITY—AMOUNT EXPORTED TO THE UNITED STATES

Question No. 103—**Mr. Cossitt:**

1. In 1978, by province, what amount of electricity was exported to the United States and what is the estimated financial return received?

2. Was an estimate made of the amount of electricity that could be exported in (a) 1980 (b) 1985 (c) 1990?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources):

1. 1978

Province	Exports in millions of kilowatt hours	Value in millions of dollars
Alberta	—	—
British Columbia	2,664	45.9
Manitoba	3,070	47.6
New Brunswick	2,552	76.3
Nova Scotia	—	—
Ontario	10,854	292.3
Prince Edward Island	—	—
Quebec	1,402	16.5

2. (a)-(c) Accurate estimates for exports in future years cannot be made for the following reasons:

(i) Exports result from sales of energy surplus to Canadian requirements and this surplus varies from time to time.

(ii) Exports in future years will depend to some extent on licensing decisions by the National Energy Board that have not yet been made or for which applications for licenses have not yet been received.

NORTHERN TRANSPORTATION COMPANY LTD.

Question No. 200—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Northern Transportation Company Ltd.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the Corporation (c) investment by the government in the corporation both before and after any write-off?

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

1. Northern Transportation Company Limited Consolidated

(a) Total revenue 1977 $24,863,517
Net loss 1977 $ 1,478,989

(b) Total revenue 1978 $26,392,701
Net loss 1978 $ 347,935

2. (a) Subsidies to cover shortfall between revenue and operation expenses
1977 subsidy in respect of Keewatin Operation $252,695

Order Paper Questions

	1978 subsidy in respect of Keewatin Operation	$210,410
	1978 subsidy in respect of Great Bear Lake Operation	$186,450
(b)	1977 Nil	
	1978 Nil	
(c)	1977 Nil	
	1978 Nil	

CANADAIR LIMITED

Question No. 285—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on Canadair (b) of loans, advances or guarantees extended by the government to Canadair (c) investment by the government in Canadair both before and after any write-off?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

In so far as the Department of Industry, Trade and Commerce is concerned:

1.

	(a) 1977	(b) 1978
Revenue	$60,050	$82,848
Earnings	$ 1,436	$ 3,229

—expressed in thousands

2.

	1977	1978
(a) Grants	$ 4,358	$ 3,700
(b) Loans	$ 3,191	$ 6,166
Guarantees	$50,000*	$70,000*
(c) Investment	Nil	Nil

—expressed in thousands

*Note: This was the original loan guarantee to launch the challenger program and replaced by commercial financing in June 1978.

ELDOR RESOURCES LTD.

Question No. 293—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Eldor Resources Ltd. at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows:

1. Eldor Resources Limited was formed by ENL in April 1978.

(a) (i) 1,000 common shares of no par value

(ii) 1 common share with a value of $1.00

(b) Yes. Eldor Resources Limited continued under Canada Business Corporations Act, March 6, 1980, and is now authorized to issue unlimited number of shares with no par value.

2. Nil.

ELDORADO AVIATION LTD.

Question No. 294—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Eldorado Aviation Ltd. at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Aviation reports as follows:

1. EAL was formed pursuant to the Companies Act on April 23, 1953.

(a) (i) 50,000 shares with par value of $1.00 each

(ii) 28,006 shares

(b) Yes. EAL continued under Canada Business Corporations Act, March 6, 1980, and is now authorized to issue unlimited number of shares with no par value.

2. Nil.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

OFFICIAL LANGUAGES

APPOINTMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER REPORTS OF COMMISSIONER

Hon. Yvon Pinard (President of the Privy Council) moved:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider the Report of the Commissioner of Official Languages, 1978, tabled Tuesday, February 20, 1979 (Sessional Paper No. 304-1/301) and the Report of the Commissioner of Official Languages, 1979, tabled Tuesday, April 22, 1980 (Sessional Paper No. 321-1/301);

That nine members of the House of Commons, to be designated at a later date, be members on the part of this House on the special joint committee;

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

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

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

That the committee be empowered to retain professional, clerical and stenographic help as may be required;

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

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

He said: Madam Speaker, to expedite matters there is unanimous consent to having this motion agreed to without debate.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, this is a day of unanimity. We concur.

Hon. Stanley Knowles (Winnipeg North Centre): Yes, Madam Speaker, we think it is important that the report in question be referred to the committee. A debate here is not necessary. We support the motion.

Motion agreed to.

* * *

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

AMENDMENT RESPECTING INCREASE OF ADVANCES TO CORPORATION

Hon. Charles Lapointe (Minister of State, Small Businesses) moved:

That Bill C-20, to amend the Federal Business Development Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Madam Speaker, I am happy to introduce in the House today Bill C-20, to amend the Federal Business Development Act, at the second reading stage.

This bill provides two ways to increase the loans of the bank to small businesses. First, the Minister of Finance (Mr. MacEachen), with the approval of the governor in council, can authorize capital payments to the Federal Business Development Bank not exceeding $475 million, which represents an increase of $275 million over the usual capital ceiling of the bank.

● (1210)

Second, the ratio of the direct liabilities of the bank to its capital will rise from 10 to 12, with the provision that the

governor in council can increase it up to 15. Mr. Speaker, this bill also contains a provision limiting the combined aggregate liabilities and capital of the bank to $3.2 billion, or $1 billion over the present statutory maximum authorized by the act.

This additional $1 billion in the lending power of the bank will be a sufficient temporary measure to allow the bank to fulfil its present mandate for about two more years. As I said in the House during the discussions on the bill to amend the Small Businesses Loans Act, this legislation is temporary because the government is undertaking a complete review of all its financial support programs for small businesses. This review should be completed in about 12 to 16 months, and the government will then introduce more comprehensive policy proposals for the future role of the Federal Business Development Bank and other government assistance programs for small businesses.

You will recall, Mr. Speaker, that in the last Parliament the previous government had introduced legislation, Bill C-4, aiming at temporarily raising the bank's capitalization. This bill would have allowed the bank to raise from 10 to 12 the ratio of its total direct and contingent liabilities to its capital, with a clause allowing this ratio to be raised up to 15 times the capital. However, for obvious reasons, this bill died on the order paper. The bill I introduce today again proposes to raise the ratio, but more important still, it contains an additional clause to allow for injection of new capital in the bank. This provision aimed at increasing the capital of the bank reflects our government's concern to prevent the capital of the bank from becoming overly onerous, because of its composition, for their preferential customers, that is small enterprises.

Mr. Speaker, the Federal Development Bank and its predecessor, the Industrial Development Bank, have played a major role in the government's financial programs to aid small businesses, and that goes back to 1944. The bill before us will enable the bank to continue filling its mandate of term lender to small businesses who cannot find elsewhere a loan at reasonable conditions.

[*English*]

At this time I should like to highlight some aspects of the bank's activities. For the fiscal year ending March 31, 1980, the bank authorized over 16,000 new loans for a total of over $880 million, which is an increase of 36 per cent in the number of customers and 30 per cent in the dollar amount of gross authorizations over the previous fiscal year. At the end of fiscal year 1980, the bank had over 40,000 customers on its books and over $2 billion worth of loans outstanding.

As an indication of the bank's small business orientation, I should like to say that the average size of loan authorized in the latest fiscal year was in the order of $55,000. Furthermore, 90 per cent of the loans made by the bank are for amounts of $100,000 or less.

Also the bank provides financial support by making equity investments in small businesses when it is appropriate. At the end of the fiscal year 1980, the bank had investment commit-

ments of approximately $40 million. Although the bank has been active in venture capital financing for only a few years, it is now the largest source of venture capital for small businesses in Canada.

The operations of the bank are national in scope with a network of over 100 offices across Canada and a staff of over 2,200 people. As well, officials of the bank regularly makes visits to many smaller centres, including those centres in remote regions of the country, to ensure that the programs and facilities of the bank are available to entrepreneurs located outside urban centres.

The bank is active in every province and territory. In 1979-1980, 9 per cent of the bank's loan authorizations were made in the Atlantic provinces, 23 per cent in the province of Quebec, 30 per cent in Ontario, 15 per cent in the prairie provinces, the Yukon and Northwest Territories, and 23 per cent in British Columbia.

The bank provides financial assistance to small firms in a broad range of industrial sectors including manufacturing, wholesale and retail trade, tourism, agriculture, construction, rental properties, transportation and storage, and service industries. However, the major part of the bank's lending is concentrated in three main industrial sectors. For example, in the fiscal year 1979, loans to the wholesale and retail trade accounted for 34 per cent of the number of loans and 25 per cent of the amount lent. The tourism industry accounted for 20 per cent of loans in terms of number of loans and 24 per cent of the amount lent. For manufacturing, the comparable figures were 19 per cent and 24 per cent respectively.

FBDB loans are usually used to acquire land, buildings and/or equipment to strengthen a firm's working capital position, for the establishment of new businesses and for the acquisition of existing businesses.

[*Translation*]

Another proof of the bank's commitment to small business is that its financing terms are based on the particular needs of each client. In effect, this means the time frame and schedule of repayment are determined by the firm's circumstances. Also taken into account are profit potential, working capital requirements and useful life of the assets offered as security. The repayment schedule and instalments are determined according to the seasonal nature of some businesses. In addition, loans can be renegotiated where the borrower cannot meet the terms of the original loan agreement due to unforeseen financial problems. The repayment period can extend from one to 25 years, the average being in the vicinity of 8 years.

In addition to loan programs, the FBDB also has a whole gamut of managing services that are a significant part of its support to small businesses. The best known of the management services offered by the bank is CASE, the counselling assistance to small enterprises. The bank retains some 2,000 retired business men and women with impressive knowledge and experience of a wide spectrum of business activities. These counsellors use their experience and knowledge to help small entrepreneurs solve their management problems. Counselling assistance is usually given on the client's premises and extends over an average two days. The program's popularity can best be judged by the fact that the number of firms having received assistance over the three-year period ended with fiscal year 1979 trebled over. There were more than 10,000 consultations during fiscal 1979.

The bank also has available a series of training sessions that were used by some 25,000 business people last year. Finally, the bank offers information to entrepreneurs on every assistance program available at various levels of government.

• (1220)

[*English*]

For many years, Mr. Speaker, the Federal Business Development Bank has been a major part of the government's financial programs in support of small business. It is more than that. Through financial services in the form of direct loans, investments and management counselling, training and information services, the Federal Business Development Bank provides a wide variety of services for small businesses.

The bill before the House today provides for a recapitalization of the bank to allow it to continue with its financial activities in support of small businesses.

In concluding my remarks, I would again like to remind hon. members of the need to deal with this legislation as expeditiously as possible. The bank has committed the last of its funds it is empowered to raise under its existing authority. Unless legislative relief is forthcoming, the bank will have to curtail its lending activities somewhat. As I indicated earlier, this is only an interim measure sufficient to keep the bank operating for approximately two years, pending the outcome of the government's extensive review of small business financing. There will be ample opportunity for hon. members to review the role of the bank in depth when the government comes forward with its comprehensive proposals for small business financing.

Hon. Ron Huntington (Capilano): Mr. Speaker, it is naturally with some regret that I find myself on this side of the House speaking to a bill which I found to be a very important and necessary bill when I enjoyed the office that the Minister of State for Small Businesses (Mr. Lapointe) currently holds. There will not be an excessive delay on the second reading debate on Bill C-20, to amend the Federal Business Development Bank Act, by my party. We would like to see second reading completed before we begin private members' hour today.

The minister closed his remarks by saying that Bill C-20 was an interim measure. He referred in his opening remarks to the former Bill C-4, which was tabled in the House during the previous Parliament. I remind hon. members that Bill C-20 is substantially different from Bill C-4 which was tabled in the previous Parliament. It is very obvious now that I was dealing with a very dedicated and deliberate president of the treasury

board in that we placed great emphasis on the cash flow problems of the federal government. We were making truly, I think a magnificent effort to reduce the borrowing needs of the government.

We treated the increase in ratio of from one to ten to one to 12 as an expedient measure to cover the Federal Business Development Bank's needs for the next two years, rather than increasing the capital. I realized at the time that increasing the ratio from one to ten to one to 12 increased the cost of borrowing for the bank and that this meant its margin between cost of money and revenue received from lending money was greater. If my memory serves me correctly, their margin of burden on top of cost was something like 4.25 per cent.

To me the Federal Business Development Bank, as I am sure the minister will agree, is the federal government's front line of service to the small and medium enterprise community in Canada. When I had the opportunity to speak previously as the minister responsible for this area of activity in Canada, I pointed out that this area creates new jobs and delivers risk into the business sector. It is an organization that cannot stand on its own in the private sector. It needs government support because it is a lender of last resort.

The difficult thing with the Federal Business Development Bank is that it is asked to maintain a bottom line or a positive cash flow in its operations. At the same time we want it to fulfil that marginal area of risk out in the business sector.

The federal government delivers millions of dollars into the business community through DREE and other departmental programs, but in terms of serving the borrowers and businesses which are in this marginal area where there is a high degree of risk, and where normal and traditional lenders in the market place say no because of that risk, then the services of this bank come into play.

I mentioned that Bill C-20 is quite different from the Bill C-4 which was tabled in the last Parliament. The government is not only amending the ratios which the previous bill asked for—that is moving from one to ten to one to 12, with governor in council approval for moving from one to 15—it is also amending or asking for a substantial increase in the capital of the bank. I could not get that request through the last president of the treasury board. It is obvious that the present minister is a real soft touch and that the incumbent President of the Treasury Board (Mr. Johnston) is a real pussycat.

If I were the president of the Federal Business Development Bank I, too, would be seeking exactly what the bill before us today proposes. The government seems to have abandoned totally, I guess as a result of February 18, any concern for Conservative principles in management of cash flow, management of debt and the ability to say no to anything. That is the situation with which we are dealing and that is perhaps why I find myself in a difficult position in this debate today.

However, being a believer in the democratic process, I must accept the wisdom and the will of the Canadian electorate and I will try to do the best I can as a member of Her Majesty's loyal opposition to test the wisdom of this bill, while at the same time saying that I have great admiration and respect for the officers of the bank, the president of the bank, for the job which this bank performs in our community and for the problem which the Minister of State for Small Businesses has on his desk.

Bill C-20 moves the capital limit from $200 million to $475 million. I seriously question if that move of $275 million is responsible and whether it might even be necessary. Certainly as this bill moves into committee we will be asking for justification of that move of some $275 million in capital.

● (1230)

The key political issue, Mr. Speaker, that we have to deal with in this bill is that Parliament has to decide the degree of subsidy it is prepared to deliver to the Federal Business Development Bank whose mandate requires that it be the lender of last resort. That, again, is what we are dealing with in this bill, as we were in the previous Bill C-4.

The challenge of the bank lies in ensuring that it carries out its expected function at a profit, while taking risks that prudent lenders refuse. The bank also provides extensive educational services, as the minister mentioned in his speech, through its case studies and case counsellors, and delivery of services into regions not normally considered to have economic viability for the private and traditional marketplace lenders. Under its mandate it must therefore provide more services, while maintaining reasonable and stable lending rates.

It is incumbent upon each and every one of us to understand the difficulties that the president and managers of the bank have in working under its mandate, dealing at the perimeters of the marketplace and the market of risk.

The bank also, because of its market and the mandate we place on it, has to deal with and focus on small loans which have a higher percentage of carrying cost and administration cost than large loans. I think it is on record that its main competitor in term lending delivery is Roynat, whose average loan, I believe, is something like $320,000 to $330,000. A year ago the Federal Business Development Bank's average loan was in the order of $54,000, and today I believe it has slipped to $47,000. This is a high burden of cost that we have to acknowledge is within the management problem of the bank. We want that situation to exist, however, because that is a service to the marginal activities of the business community that we need.

The bank also has to operate in an environment of voyeurs or "peeping Toms", because the traditional market lenders are always concerned that the bank is stealing customers from them and is playing games with the matter of lender of last resort. The bank has, therefore, also built safeguards into its administration cost and burden, so that it is always in a position to explain or defend itself against that constant criticism that most members of Parliament receive when dealing with disgruntled applicants or borrowers from the Federal Business Development Bank. That is another burden it has to maintain in its management or explanation of its affairs when

it deals politically with members of Parliament or ministers who have disgruntled constituents.

I have received a pile of letters and criticism from colleagues on this side and the other side of the House and from constituents at large in Canada regarding the bank's activities. There could have been a time in the bank's affairs when some of that criticism was justified. At large, however, it was my experience in the short time I was in office that the bank handles itself with a great deal of pride, respect and concern for the positions and conditions under which it has to operate in its mandate.

In most cases I know of where there is a criticism of attitude on the part of a regional manager, the senior officers of the bank will move with dispatch to obtain an explanation. I would say to all members of the House dealing in this political aspect of the bank's service that they have to remember there is another side to the story. There are always two sides to this type of argument and I would plead with them to get the other side of the story before making serious allegations, keeping in mind, of course, that it is our job to make sure the bank and its personnel operate as a government institution to serve that aspect of the marketplace.

Another burden that does not reflect in the earnings of the bank is the fact that the bank officers and counsellors will often go into applications that have been refused by traditional lenders and will put together a combination of factors to bring that application for a loan into a category of safety with the result that the traditional lenders then want it. The bank has to yield that burden of work to the traditional lender because it is a lender of last resort. That is a cost that we must keep in mind as we discuss this federal government service to the small and medium enterprise sector.

One of the problems that I do not think has been brought to light in the House is the high turnover of credit managers and staff at the bank. I think the bank has become a training ground, at high cost to its cash flow and overhead, for credit managers and managers for the traditional lending institutions in Canada. Maybe this is a good thing, but I sympathize with the problems it poses for senior management and the president of the bank.

As the minister is asking for such a large sum of capital in addition to the increased ratio, I think we should be moving in and considering—if we can do so at committee stage—lifting the president's salary to a point commensurate with the quality of the job he is doing for the bank. We should increase the salary ratio in order to keep senior officers of the bank so that the quality of delivery of service, considering the difficult management factors they have to deal with, which I believe I have explained fairly, is in place. I would urge the minister to take an initiative on this. Perhaps when we go into committee or even in the House, if he winds up this debate, he will confirm that the president's salary will be lifted and that the salary of senior people in the administration of the bank will be lifted to the point that we can offer the bank some stability in terms of staff.

I would not want to interfere too much with the bank being a training ground to upgrade the financial community at large. I think, however, that the market sector is very capable of doing most of its own training. I do not think we should be losing key personnel to it by default or by lagging behind the compensatory levels of the marketplace.

The front line of service that the bank offers the business community is its seminars. These are of good quality and are well received. They should be advertised so that more and more people from the small business sector attend. They have a nucleus of experience that can often avert tragedy and heartbreak brought about by risky enterprises. High quality educational material is published by the bank. The case counselling service is supplemented through the estimates, and this has been expanded. Some day soon we must examine the subsidy made to the case counselling service to satisfy ourselves that it is good value for the money. Personally I think it is.

The bank is moving into the hinterland in outer regions which the traditional lenders do not consider economically viable. It carries the small loans that have a high burden of administrative or initiative costs that other lenders do not want.

I am sure the bank is at a point of crisis today. It needs an expansion of its ceiling of last December. It has gone through a period of nine increases in interest rates over the last year, and has had to face an accelerated rate of bankruptcies. Again, if my memory serves me correctly, we were budgeting for something like 5,800 bankruptcies in Canada, and there was a reserve built in based on that projection. If the figure given to me orally is correct, the actual number has turned out to be around 8,000 bankruptcies.

• (1240)

So, the bank has had to move in with something like $29 million in write-offs—I hope that figure is correct—to cover bankruptcies that the bank had been carrying on its books in categories three and four, which are the categories of loans that have had to face postponement or have been put aside in the reserve with the hope that somehow or other the combination of factors could be put together to move them back to category two, then to category one and eventually be retired.

As we examine the changes and the reasons for the changes in the bank's conditions, which we will be doing in committee, Parliament will have to decide whether the bank is to work on a cost recovery basis or whether it is prepared to subsidize, on an annual average basis, a degree of marginal ventures. The review that the minister speaks of, and it is a very important exercise indeed, has to deal with this. We could perhaps start at committee stage to express concern and perhaps give some input to that aspect of this bill at that time.

I am told by its president that the bank since Bill C-4 has had additional factors to consider and deal with beyond those given to the previous minister of state responsible for the bank. A matching problem has shown up between borrowings and loans. The average term of loan outstanding with the Federal

Business Development Bank is eight years, while the roll-over in terms of the bank's debt to the Bank of Canada is on a five-year basis. The portfolios that it has inherited from the Industrial Development Bank it now claims were not properly matched, and this has been an additional burden of cost the bank has had to carry and that has come to light within the last half year. This has cost the bank considerably in light of the nine increases in interest rates over the last year.

I can remember—going back to the Thirtieth Parliament and to the then Bill C-16, the borrowers depositors act, the one where we started to monkey around with the terms of medium and long-range loans—cautioning the House at that time about this aspect, and my caution subsequently turned out to be right, because the bill was withdrawn. Any time we are dealing with legislation interfering with the term of loans, this is something that we have to be cognizant of, and I think the problem that the bank has is proof of the accuracy of that claim made during the debate on the former Bill C-16.

As a member coming from the private sector I often look at FBDB as my window on the banking community and its problems, in the same way that some of us in the House see Petro-Canada as a window on energy industry.

I am also told that the $100 million increase in capital requested of the last government by the bank did not take into account the venture capital program, and that the venture capital program requires equity because equity should be invested in equity situations. The bank should not be borrowing and creating debt to invest in equity situations. I agree totally with that fundamental principle.

There is justification for some increase over the $100 million that it was seeking in terms of increased capital so that it could remain within an 8 to 1 debt-loan ratio, and there is some $75 million of legitimate request in this increase in capital that the minister is asking for. I will remind members again that the minister is asking for an increase in capital of $275 million in addition to a widening of the ratio of from one to ten to one to 12. In this bill the minister is asking for everything one could imagine in terms of expansion. The only thing that saves me from blowing my eyebrows is that there still remains a cap in the bill of $3.2 million in terms of outstanding loans.

I am told the venture capital equity demands on the bank to March 31, 1981, is $50 million and that its budget requires an additional $25 million to build up its venture or equity lending for the next two and a half years. Therefore, I can substantiate $75 million of the minister's request in this bill in that area.

The former president of the treasury board had imposed an attitude of total restraint on his colleagues in cabinet and on presidents of Crown corporations, such as the Federal Business Development Bank. Although it was an option at that time that we increase the capital by $100 million, the general policy of restraint that we were under moved us over from increasing the capital into increasing the ratio from one to ten to one to 12. I do not know what the situation is, but I think the bank faced very serious problems as we went through nine increases in interest rates, and because its matchings were not in balance added to its cash flow problem and burden. Now that we have a rapidly decelerating interest rate in the marketplace, I would think that loan authorizations to loan lendings would accelerate. Cancellations of approvals through March and April of this year have allowed the bank to still service loans. The high cancellation rate again has added to the bank's administrative burden per loan outstanding. I would think that it is now facing the situation whereby the approvals of applications and the actual delivery of loans would start to accelerate with the new interest rates that are coming into place on the market.

I appreciate that the minister and the president of the bank have time-frames whereby we should be delivering this bill and this authority to them. However, I am wondering if those matching problems they faced as interest rates went up are now offset as interest rates come down. I think we would want to examine that aspect in committee.

One other aspect of the bank's problem, and particularly in a period of rising rates, could be resolved if we had a look in committee at the floating rate principle, and I would put on notice now that I think members should be questioning the minister not only on a floating rate as it would apply to the administration of the bank, but a floating rate as a possible benefit to the bank's borrowers, keeping in mind some of the other problems that the bank faced which I believe I have outlined today.

• (1250)

The cost of money to the bank is an important issue we should be examining in the committee and that members should consider. I understand that since 1975 the average ratio has been eight to one and that the cost of money for the bank fits into that framework. I am not sure that I remember the exact figure of its major competitor in the term lending field, but I think it was operating at a seven to one ratio.

If we accept what the minister has given to us in Bill C-20 with capitalization moving from $200 million to $475 million against a cap on loans of $3.2 million, we find that the bank is trying to move down to a ratio of seven to one so that it can match its cost of money to its major competitor in the marketplace. That cap would be good for about two years of operation, I understand.

I have examined the figures. I see the $75 million of equity required for the next two and a half years for venture capital programs. I see $30 million needed to cover the bankruptcies that it will have to write off in categories three and four. I expect that is a normal degree of risk for a lender of last resort. If we put in $100 million of capital for loans, my arithmetic tells me that would yield an eight to one ratio for the bank which has been their average since 1975. With that rule-of-thumb arithmetic, I would just ask the minister why we have to amend section 31 and increase the ratio from one to ten to one to 12. Why do we not go for a $200 million or $205 million increase on the 200? Would he explain why we need that extra $70 million of capital?

It is important that members understand that he is not asking for cash out of treasury in moving from 200 to 475. What he is asking for and what the bank is asking for is a

cancellation of debt to the Government of Canada. This brings us into the whole debate of cancelling debt of Crown corporations and playing games with the balance sheet of Canada. I want hon. members to be fully cognizant of what we are doing here. There is an effect to the balance sheet of Canada.

Perhaps I am too old-fashioned in my education and conservative way of managing things that have to do with dollars and cash flow, but I get a little disturbed when we start playing games here that the tax collector does not allow in the marketplace. I would like to see that addressed in the minister's reply or at least when we go to committee.

I must say it is not easy for a person schooled and brought up during the depression, working hard and saving every dollar of earnings you can to have a dollar of capital in order to invest and risk in the marketplace, to stand as a responsible member of Her Majesty's loyal opposition on this bill. I think the minister has gone too far. He has asked for more than he needs. I think we should bring the bill back to an increase of $200 million in capital and leave the ratio where it is, at one to ten. I put it on record that I would like answers to that in the wind-up speech or in committee.

We have a review coming up that I believe the minister said would be available in something like 16 months. I would think that review could probably be brought ahead, but if 16 months is what is needed, that is fine. We should also be acquainted with some of the interim reports of that review, so that we do not get it in one overpowering bundle in terms of any sincere reaction to or criticism of it. As I was starting to say, trying to be a constructive critic schooled in conservative management principles in terms of cash flow, I am trying to be as gentle as I can in saying to the minister that I think the bill is excessive.

In closing, Mr. Speaker, I want to repeat something I have been saying over and over again on the political platform. I guess it is one of the reasons why I stood as a person from the small business community carrying a sense of anger and frustration at what was happening to my tax dollar. Most Canadians do not object to paying taxes in a land like this. I do not object personally. I will even work to encourage a fair share distribution of the wealth of this country.

Where I differ with the progress being made by this government or the approach to that of this government is that they, through the process and bureaucracy of government, are setting taxation levels that are too high for an incentive to remain for the risk-takers in the market place. When that happened all down through history, we have seen the entrepreneurs of countries leave or fall back and rest. We cannot address the problems of this country if we smother the initiative and energy of the entrepreneurs and risk-takers in the business community. The cash flow problems of the treasury are going to mount and accelerate in relation to the degree with which we pull incentives out of the business sector. I am not saying anything new. Every civilization has gone through this cycle, but part and parcel of the dilemma that we are facing in this Parliament is in that destruction of incentives.

As we came through the last election, one of the things I found repeated often by very responsible, intelligent people was that they did not object to the tax or the proposed 18 cent increase on a gallon of gasoline, which was a big election issue. They did not object to that per se as much as they objected to the way the tax revenue is spent, the reckless arrogance and waste of the energy and sweat that goes into producing and delivering a dollar of tax into this treasury.

If we are to create excitement and the creation of wealth in this country, and if we are to keep that level of excitement high, for goodness sake stop the extravagance. Bill C-20 asks for the moon. It asks for more than the bank needs at this point in time, particularly as a very important review is in place. I suggest we start right here in this Parliament, bring this bill back and give the bank what it needs to function properly, but let us not overdo it.

I hope that this second reading debate can be completed before private members' hour today and I look forward to the challenge and the discussion in committee on this bill. May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): It being one o'clock I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock the motion for second reading of Bill C-20, to amend the Federal Business Development Bank Act, was under consideration. The hon. member for Capilano (Mr. Huntington) had the floor, but I understand that he has completed his speech.

Mr. Huntington: That is correct, Mr. Speaker.

The Acting Speaker (Mr. Blaker): I therefore recognize the hon. member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very happy to rise this afternoon in the debate on Bill C-20, to amend the Federal Business Development Bank Act. I listened very carefully and enjoyed the comments made by the minister detailing the perceived benefits of the act and how it has been very, very helpful to small businessmen in Canada from one end to the other. I am pleased to know that its benefits were distributed relatively equally across this country.

I also listened with a great deal of interest to the hon. member for Capilano (Mr. Huntington). His comments covered many of the specifics of the bill and focused on the amending ratios, the increase in capitalization being provided for the bank and the concept of debt cancellation which has been involved. Since he went through those specifics, I will restrict my comments to items other than those in an effort to

ensure that his bill receives speedy passage and that we get it into committee and deal with it at the earliest opportunity.

I recognize that the Federal Business Development Bank is really a lender of last resort. What it does, in my mind, is indicate a very important and crucial trend which has developed in Canadian economics in the last number of years. I want to focus some of my comments this afternoon on that trend. I suspect that many members of the House are not aware of what the importance of this bill indicates to us here and to Canadians generally.

I was both surprised and, I suppose, somewhat alarmed at the comments made by the hon. member for Capilano. I was surprised at his recognition of the role that the federal government is playing in the private enterprise sector and that he should extol the benefits of this development bank. I was somewhat alarmed not at the comments he was making but at the fact that his comments were so accurate in that the reason we are discussing this bill this afternoon is partly because of the failure of our financial institutions in this country.

I want to take a moment to put this discussion into context by suggesting that during the 1950s, 1960s and perhaps even the early 1970s there was a sense of economic optimism about the land. People saw an endless range of opportunities for those with entrepreneurial interests and instincts. Canada was a very worth-while place in which to be investing. Education at our colleges and universities across the country virtually guaranteed employment in the career or profession of one's choosing. Training of one kind or another in the occupational sector virtually guaranteed a job, increasing employment opportunities were found across Canada, and, of course, this very positive climate manifested itself in an increasing willingness of people to get involved in the business sector, and particularly for the small entrepreneur, the small businessman, to become involved in an enterprise where he or she was eventually his or her own boss.

● (1410)

I would be surprised if there were many members in the House representing all parts of Canada who have not at one time or other been involved or have wanted to be involved in business, who had a dream, an aspiration to take that initiative and assist in the development of our fine country. During the period of the 1950s, 1960s and early 1970s, funding for ventures was available, new ideas were encouraged and nurtured, risks were relatively minimal and so were failures.

However, unfortunately the experiences of the 1970s have essentially systematically destroyed this optimism. There is an increasing air of uncertainty in our country today, a feeling that our future will not necessarily be a better one, that the world of the 1980s and 1990s will not necessarily be better than the world we have in Canada today. Obviously confidence has been reduced.

This has led to increasing risks to many small businessmen and small entrepreneurs. Here are individuals who are experiencing at this time shortages in capital, expertise and information data, recognizing daily the growing imperfections in the marketplace. Indeed it is a time of transition, a time when our economy is experiencing a transformation. Small has now become rather precarious, small has become rather uncertain and small has certainly become risky. To survive in Canada today as an entrepreneur it is certainly in your favour to be very big to survive, let alone to grow. In order to have access to more capital, to have access to resources, to manpower and to information, you must be big.

I suggest that large companies have achieved today a significant advantage in our system. Probably this advantage is most clearly demonstrated in our taxation system. Not so much in our rates of taxation, but when you examine the taxes paid by the large corporations and those paid by our small business companies you see a substantial difference, which indicates clearly that the large companies have a significant advantage.

I suggest that this points to an inherent contradiction today in our economic system. Today we possess essentially a certain image of tens of thousands of small businesses across the country—and indeed they are there—accounting for something in the neighbourhood of 40 per cent of Canada's employment. Yet when you examine the situation carefully it becomes obvious that power lies with the large corporation, that power lies with the large multinational corporation. We have today a situation where Canadians possess an illusion, an impression, of an economy dominated by small entrepreneurs and small businessmen.

Of course, we extol the virtues of the small businessman, the small community and the small town. We say that small is best, that small is easy to comprehend, yet this is inconsistent with the realities of the 1980s. Today small business is being excluded from the marketplace. One of the most obvious examples of this is where small business is being excluded from the traditional sources of funding. Banks are becoming increasingly hesitant to lend to the small, higher risk entrepreneur. Banks, the traditional lending institutions, desiring more and more security, find that security in the large company incorporation.

Just yesterday in the Standing Committee on Finance, Trade and Economic Affairs, representatives of Canada's banks indicated that banks were not prepared to finance small livestock processors unless those processors could use someone else's property for collateral. To me it indicates the extent to which the traditional funding institutions are going in this country. How many of us in this chamber are able to go into a bank and use someone else's property as collateral, as the banks demand? That is what the banks were demanding in committee yesterday in an effort to finance the livestock processor, packing plants and so on. It is too risky for the chartered banks so therefore they are prepared to cut off their funding.

Due to this elimination of funds, a financial crisis has emerged and is continuing to emerge in Canada. During these years when, goodness knows, we need Canadian investors, when we need to encourage new ideas in the economic sector, when we need to nurture new approaches and ask for new

methods and techniques, the traditional funding sources are being reduced or eliminated.

So it begs the question: Who comes to the rescue during these times? Indeed, who comes to the rescue are the provincial and federal governments of Canada. I ask members to reflect on that, particularly those who have been here for some years, and to ask how many programs the federal government had in the 1950s to assist the small businessman and small entrepreneur. Probably one could count those programs on one hand. Yet today as we begin the 1980s, if one were to examine carefully the variety of programs available to the small investor and small businessman, one would find in excess of 400 federal programs, let alone programs in the provincial sector providing encouragement and support to small businessmen. On my desk the other day was a notice from British Columbia listing support of the small business sector through assistance to the small enterprise program. There were pages and pages of small businesses, some manufacturing utility trailers, others manufacturing mobile homes, others manufacturing hydraulic components, people prepared to try new ideas and to take a leadership role in developing Canada's economy.

As the hon. member for Capilano indicated, the private sector interested in venture capital, interested in risk capital, must now look to government, not to the chartered banks of Canada, the traditional lending institutions. The $3.5 billion of capital in our Federal Business Development Bank to be made available to small business demonstrates a failure in our financial capital markets. It demonstrates a failure in our chartered banks, in our trust companies and in our sales finance companies, to provide much needed risk venture capital to the small entrepreneur.

A few days ago we heard discussed in this chamber credit unions and caisses populaires in the province of Quebec which have received a considerable impetus in the last decade and have experienced considerable growth. I would suggest that one of the reasons for their success and their tremendous growth in the last decade has been the fact that since they do not lend to corporations, they are essentially providing funding to the single proprietorships, the single businessmen, to the partnerships, to enable this much needed risk capital to enter our economy.

● (1420)

In the end, the private financial sector is failing. It is letting Canadians down at a time when creativity and innovation is necessary, at a time when the frontiersmen of our business community must be opening up new territories to meet the challenges of the 1980s and 1990s. Because traditional funding is too risky, it is not available and the private sector must now depend upon institutions such as the Federal Business Development Bank.

We support Bill C-20, and at the same time we recognize the glaring failure of our chartered banks. We recognize that Bill C-20 provides an opportunity for the federal government now to step in and provide that leadership, for the federal government to step in and rekindle that spirit, to provide those new options, and to put Canadians back to work.

I want to end my short discussion this afternoon by suggesting as a new member of Parliament that I feel, in considering legislation such as Bill C-20, we are called upon to make decisions without having adequate information. A number of questions ought to be posed. I should like to pose just a few of them for the hon. minister to reflect upon perhaps in his response later this afternoon or to examine when we get into committee.

Why has the FBDB lost money over the past year? What are the real reasons behind that loss? Is there a clear concept of the purpose and the mandate of the Federal Business Development Bank? Why was the staff turnover in this past year so vast? When the bank is losing money as it is, why is it going ahead with spending an additional $35 million or considering a new head office? Has there been a comprehensive review of the bank's operations, focusing on such things as the bank's borrowing policies in terms of its sources of capital? Have the bank's lending practices been examined adequately? What is the expertise of the bank's personnel?

Just so that I am not misunderstood, I concur with the comment of the hon. member for Capilano when he recognized the commitment and ambition of those responsible for the bank and the efforts they have made. I might add that these efforts were very positive. I want to emphasize the fact that they have a staff in excess of 2,000 across the country, and perhaps most important of all, they provide that much-needed management advice, introducing management skills to so many of those people who are interested in beginning business ventures. The expertise and the quality of the people they have providing that service must be commended. Looking at perhaps some of the crucial personnel within the bank itself, are we confident that the necessary expertise and background is always in the right place at the right time? I recognize that these are very difficult questions, but nevertheless they are questions that must be addressed.

In closing, I must say that our party certainly supports this bill. In a sense we feel that it is a shame the traditional financial institutions have essentially let us down in terms of providing much-needed venture capital. I am pleased to see that in fact the federal government is leading the way through this expanded bill.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome this opportunity to make some remarks during this debate on Bill C-20, an act to amend the Federal Development Bank Act. This morning, my colleague the Minister of State for Small Businesses (Mr. Lapointe) already expounded to hon. members the details and the main objective of this bill. He also released some details regarding the activities of the bank.

During the period of time allotted to me I intend to stress the role of the bank in the development of the short-term loan

market for small and medium-size businesses in Canada and to add some observations to the remarks made by the minister regarding other activities of the bank in the field of management.

Mr. Speaker, as we all know the Federal Business Development Bank was created in October, 1974, to succeed the Industrial Development Bank which was founded in 1944. I think that when we created the FBDB we brought it closer to its customers. It acted like the Industrial Development Bank which had been a pioneer in the field of term loans in Canada. The success of both institutions was to a very large extent an important factor in building and expanding a term loan market for small businesses, as I said earlier, not by a governmental or public institution, but by a number of financial institutions of the private sector.

Actually, a great many customers of many of these private loan companies are former employees and customers of the bank whose businesses achieved viability thanks, in many cases, to the support of the FBDB or its predecessor. Although it is rather easy to determine the activities of the bank which will directly assist small businesses, and I will speak briefly about it in a few minutes, it is almost impossible to measure the real contribution of the bank as far as the development of private loan services for small businesses is concerned. I would like to point out that often disregarded substantial contribution of the bank to private financial institutions which, as you know, represent the most important source of loans to small businesses. It is an indication of the government commitment to co-operate with financial circles and other groups and individuals so as to initiate steps to help small businesses. This should reassure the hon. member for Capilano (Mr. Huntington) who this morning was concerned about the growing presence of the government or governmental banking institutions in the economic system.

[*English*]

While there have been positive and constructive developments in private financial markets, the Federal Business Development Bank continues to play an active and innovative role in the provision of financing to small businesses. For example, in recent years the bank has made private lenders aware that it is prepared to consider joint or co-financing arrangements on loan proposals which the private lender, for one reason or another, is not prepared to finance entirely on its own. Thus, I commend the banks for this initiative to develop and expand the small business term-lending market in Canada.

[*Translation*]

Mr. Speaker, during the past five years ending March 31, 1980, the Federal Business Development Bank has lent almost $3 billion to more than 55,000 small businesses in Canada. In addition, since its establishment, over 75 per cent of the loans granted by the bank are for amounts up to $50,000 and this indicates its attitude towards small businesses. To show how much it is aware of the needs of small businesses, the bank has decentralized its loan activities to an appreciable extent.

• (1430)

Most loans are now approved by regional branches or offices, which also considerably shortens the time necessary to process the applications and advise the applicants of the decisions. As a matter of fact, Mr. Speaker, my own constituency benefited from this decentralization a few years ago, which has made the Federal Business Development Bank more accessible.

The branch of the FBDB in Valleyfield, where I live, serves the counties of Beauharnois, Châteauguay, Huntingdon, Vaudreuil and Soulanges. This branch, as far as I know, has been in existence since November, 1976. Whoever considers the evolution of its operations realizes the interests of its customers. As of March 31, 1979, the Valleyfield branch had 152 stores, individuals and firms as customers with a total commitment of $8.2 million. One year later, it had 201 customers with a total commitment of $12.9 million. For the information of hon. members, I should add that during the 12-month period ended March 31, 1980, there were 109 loans authorized amounting to $7.3 million. The average loan for the fiscal year ending March 31, 1980, is $67,000, which means that, fundamentally and in practice, the branch of the Federal Business Development Bank which serves our area really helps small business.

Once again, in an effort to allay the fears of the hon. member for Capilano the rate of penetration of that branch in our region is 6 per cent, which means that only 6 per cent of the businesses probably cannot find the financing needed from ordinary or conventional banks, that only 6 per cent of the 2,549 businesses in our area are served by the bank, but at least those people are helping the economy in our part of the country. I feel it is desirable, not only that the Federal Business Development Bank should continue its slow but sure assistance, but that it should be helped to do even more, and offer more and better services, and even perhaps continue to offer risk capital.

Now, Mr. Speaker, to come back to more general considerations, during the fiscal year ending on March 31, 1979, I would say that over 40 per cent of all loans granted by the Federal Business Development Bank were used for capital expenditures including land, buildings and equipment. Small businesses are also trying to get assistance from the bank to increase their working capital. Proper financing of the working capital can be a particularly important element of business especially these days when high interest rates are for the small business that is growing rapidly. The bank also grants loans to facilitate changes of ownership, which period is often a difficult one in the evolution, progress or development of a business. Changing owners can also mean adding a new one at the same time.

Mr. Speaker, I should like to deal with another important activity of the bank, namely, management services for small business. To that end, I shall start with the conclusions of the study on the financial problems of small businesses, which was made before the Federal Business Development Bank was set up, and which revealed that one of the big problems of small businessmen is that of management aptitudes or talents. To meet that need the responsibilities of the Federal Business Development Bank were expanded in order to offer small business management services in addition to financial services.

So those management services include consultation, training and information services. Some of them were started by the Industrial Development Bank itself within the framework of its normal activities in the small business area which expanded following actions taken on an ad hoc rather than a planned basis. However, with the establishment of the Federal Business Development Bank, those activities became a statutory responsibility of the bank, and they were considerably expanded later. Consultation services are offered through CASE the Counselling Assistance to Small Enterprises program. Under this program the bank hires retired managers as advisers to help small businessmen solve their management problems for a minimal fee.

The advisers are selected for their competence, their experience in the area in which the customer company operates. The bank can presently call upon about 2,000 advisers for a wide choice of assignments. In the fiscal year 1980, the bank completed more than 14,000 assignments. The program was well received and it is highly regarded. It is interesting to note that the majority of CASE customers do not borrow money from the bank. In other words, the service is also extended to those whose financial position is already fairly secure.

The second part of the bank's management services deals with the promotion of sound management practices for owners or managers of small businesses through management training. It is one thing to help someone set up the management of his business by way of a temporary program, but without the possibility of sharpening the business acumen of his staff the program falls short of the stated objective. Therefore, the bank offers training by way of courses, seminars and other meetings. During the 1980 fiscal year, more than 25,000 businessmen have attended approximately 1,700 seminars held by the bank on matters relating to commercialization, taxation, bookkeeping and cost control. In the framework of its management training, the bank has also developed a number of 30-hour courses which it offers to provincial and territorial authorities in charge of education. This material is used to train adults in community colleges and elsewhere and is also meant for people in charge of small businesses or those who intend to go into business for themselves.

Mr. Speaker, the third part of the bank's management services consists of giving information with respect to business support programs at all levels of government. This objective has been met through the setting up of new branches in rural areas across the country. Last year, bank offices were responsible for more than 90,000 client contacts. The bank also publishes a series of brochures on business management entitled "Minding Your Own Business" as well as a quarterly bulletin "Small Business News", and also makes available a lot of information on specialized services from various other departments and in particular the Department of Regional Economic Expansion, and the Department of Industry, Trade and Commerce. These publications deal with matters of interest to small business and have an extensive distribution. Moreover, each of the bank's offices houses a reference library allowing small business to have easy access to works of interest.

● (1440)

[*English*]

The Federal Business Development Bank is a major part of the government's financial support program for small business. Its leadership and innovation has contributed significantly to the development of the private term lending market in Canada for small businesses. But the bank is much more than that. In addition to its financial services, the bank provides, as I said previously, a wide range of management services in support of small businesses.

The breadth of the bank mandate is a reflection of the government's commitment of support to a viable and growing small business sector. The bill in front of us is a clear indication of the government's direction in this area, the right direction. I take great pleasure in supporting this piece of legislation.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is my pleasure to rise today to speak in favour of Bill C-20, to increase the lending ability of the Federal Business Development Bank. This is my first speech in this House, and I would ask for your indulgence and that of hon. members opposite while I place on the record some of the traditional remarks which a member makes on the occasion of his first speech. I can assure this House that they will be brief and that I will then go on to discuss the bill before us.

I would ask you, Mr. Speaker, to carry my congratulations to Madam Speaker on her appointment. I feel that it is an honour that she richly deserves and I am sure that she will acquit herself in the chair with dignity and fairness, the same dignity and fairness which we have come to expect from the Speakers of this House.

It is an honour and a privilege for me to represent the riding of Simcoe North. For several years my riding was represented by Dr. Philip Bernard Rynard, and his service on behalf of his constituents is a legend in my riding.

Some hon. Members: Hear, hear!

Mr. Lewis: His service to this House is also well known because of his lifelong interest in health and welfare. He has

left his mark in Parliament, as he has on the riding of Simcoe North.

Following in his footsteps is quite a challenge, and I welcome that challenge. I know that this House will be saddened to hear that Dr. Rynard suffered a stroke the day before he was to campaign for me in the last election, but he continues to progress and has recently left hospital. I am sure that this House joins with me in wishing him well.

Some hon. Members: Hear, hear!

Mr. Lewis: The riding of Simcoe North is as diverse as this nation. The townships of Mara, Rama, Orillia, Oro, Medonte, Matchedash, Tay and Tiny are rich in farmland, forest and water, but richest of all in people. The city of Orillia and towns of Midland and Penetanguishene are strong and vibrant parts of the riding. The riding contains people from English and French background strengthened by immigrants from many lands. The economy of Simcoe North is mixed and that is its strength.

Simcoe North riding is comprised of farmers, skilled tradesmen, entrepreneurs, tourist operators, store owners, professionals, civil servants and retired people, all of whom rub shoulders throughout the riding. I have lived in Simcoe North since 1969. We have known triumphs there and some tragedies, but we have come to know that Simcoe North is a riding rich in people who are Canadian every day of their lives.

Now I would like to turn to Bill C-20. The role of the Federal Business Development Bank in financing Canadian small businesses is well known to this House. Its role in counselling small business through its branches and seminars, which it carries on throughout the country, is important to the concept of helping small business to develop in Canada and entrepreneurs to develop management skills. The provision of management consulting services to small business is also important because small business often cannot afford to hire this expertise on its own and which the Federal Business Development Bank makes available at a reasonable rate.

I am pleased to learn that the bank is continuing to take an active part in financing businesses engaged in manufacturing and tourism in Canada, particularly in Ontario. I note that in the nine months ending December 31, 1979, the number of loans in Ontario increased 58 per cent and that their value increased 61 per cent compared to the same period last year. We need such loans. We need the bank activity to foster continued growth in the province of Ontario. We intend to go on maintaining our position as the cornerstone of confederation by manufacturing, employing people, and by good, old-fashioned hard work in the province of Ontario.

It is not my intention to fill the record with a litany of facts and figures designed to prove that my research is equal to that of the minister's or other hon. members. The minister brought forward the facts and figures quite adequately. My colleague, the hon. member for Capilano (Mr. Huntington), reviewed them and I think we have enough statistics on the record.

We are sent to Parliament to represent the views of our constituents. I wish to place on the record some concerns which I feel adequately reflect the viewpoint of the people of Simcoe North, particularly small business, with respect to the Federal Business Development Bank and this particular amendment. I want to talk about what happens to the money after the bank receives it. I want to touch upon the bank's role as a lender of last resort, the image that the bank has with small business, the cost of completing a loan, branch discretion limit, what I call the approval-disapproval time lag, and the availability of branches.

It could be suggested that these are matters for committee, but I feel that they are important to the public and small business and that they should be brought forward in this House. I feel comfortable discussing the bill from the standpoint of the borrower, perhaps more so than I do from the standpoint of the bank, because I was often, if not in the borrower's shoes, in the shoes beside the borrower as either a chartered accountant or a lawyer. So the loans, guarantees, financial statements, collateral security and related problems are not unknown to me.

I would also point out that my comments are not the result of dissatisfaction with any particular branch; I think they reflect somewhat the feelings of the public. The small businessman feels that the Federal Business Development Bank should be a lender of last resort. The bank makes that claim. The chartered banks, trust companies and other financial institutions make a profit and report to their shareholders. The FBDB is viewed as a branch of government which has as its principle the provision of assistance to small businessmen who do not qualify for loans with chartered banks or other such institutions because he may have a lack of business experience on equity, or he has an unstable market, a new product or any of the other reasons which would make the ordinary bank on the corner nervous. That is how the general public views the FBDB.

The general public expects the FBDB to take a higher risk than the chartered bank. I believe the public feels that the bank should have a higher bad debt ratio than a chartered bank. It is expected to lose money. Perhaps that is a strange thing to say, but we must understand that the FBDB must take those risks and lose money in some cases.

It must also have a normal percentage of interest to cover its operating profits. The social and economic profit of this institution to Canada does not show on a profit and loss statement, but it is there in the form of thousands and thousands of successful small businesses in Canada.

• (1450)

I disagree with the comments of my colleague on my left. I think small business enjoys the challenge of doing business in Canada. As a record of that I point to the many thousands of people who leave the comfort of large business to go into small business.

I suggest to my colleague to my left that the banks have not failed small business as he suggested. The banks do lose money

on some loans. If the chartered banks had no bad debts at all, he would be correct; but since they do have losses—and they have moaned and groaned on my law desk about them—I think the chartered banks are taking a risk and that the Federal Business Development Bank backs them up very well.

The problem is that the general public does not always have the feeling that the Federal Business Development Bank wants to take a risk or play the role of lender of last resort. The businessman often comments, "If I was not in this fix I would have borrowed the money from a chartered bank; they turned me down and now I need your help". The FBDB must decide whether it is just another bank. If it is, I suggest that it get out of business and stop competing with free enterprise. If it is going to be a true lender of risk capital, however, a lender of last resort, then it has to actively pursue that role. It has to be prepared to prove to Canadian business that it will take a risk, not an unconscionable risk with no chance of success, but a reasonable risk designed to help a struggling business with potential.

I should like to comment now on the image of the FBDB in the small business community. The management counselling seminars conducted by the bank are well received and generally enhance its reputation in the small business community. Where the bank runs into problems is with the process of borrowing money. The small businessman sees this as costly, time consuming, frustrating and full of unhappiness. If the bank wants to play an important role in this country, it must improve the loan process.

I think it has to put more emphasis on the initial interview with the potential customer. It should be made clear to the customer what the bank's paperwork requirements are before a loan is considered. All the banks requirements should be established at that time. Businessmen complain, "We submitted the documents; they sat on them; they got back to us; they wanted more; we gave them more; they reviewed them; they came back again and then we were turned down." That is the businessman's complaint. It frustrates him to go through that submission process. He has to wait for an answer and then, instead of an answer, he gets a further request for paperwork.

I should like to suggest that the branch managers should make a better effort to distinguish between the paperwork which tells a businessman a story about his business, for his sake, and the paperwork which is required for a loan. It is an education process; it is ongoing and very important. The FDBD can play that role with small business by pointing out what the financial statements, the inventory control, the accounts receivable aging, mean to the small businessman who, until he goes into the branch office, has no idea what the bank should be doing for him. I think the bank can play a role there and I want to see it played with all this money the bank is getting.

I am going to raise a defence for lawyers at this point, Mr. Speaker. We must have a defence for lawyers somewhere!

An hon. Member: Throw him out of the party!

An hon. Member: Carry on.

Mr. Lewis: We often hear it suggested that lawyers' and accountants' fees are connected with the application. I should like to point out the difference. The FBDB requires financial statements which are prepared by accountants who charge for the time they put in and, of course, they should be paid for it. Lawyers' fees do not come about until after approval of the loan. That is when they bill for their time and effort. Of course, they are not adequately paid for what they do!

Some hon. Members: Oh, oh!

Mr. Knowles: *Hansard* should show that the hon. member is smiling.

Mr. Lewis: I should like to suggest that when an application is doomed from the start, the bank should say so, in order that people do not incur these costs. Risky applications should be viewed with the idea that easy and inexpensive information be made available first of all, and then if it is felt the submission has potential, then you start paying money.

When this bill was considered in committee last fall there was discussion about discretion levels. I do not want to ask the minister to bring forward the discretion levels of every branch of the bank in Canada, but I would ask him to delineate the bank's policy in this regard. I think some branches get away with stalling, through not delineating that approval or discretion level which every bank manager has. Head office is blamed for things which the branch office should really take care of.

Earlier I spoke of what I called an approval disapproval time lag. Last fall Mr. Lavigneau made the comment before the finance committee that it took one week for head office to consider a loan. I made the comment then, and I repeat it now, that we are not interested in how long it takes head office to handle things. The small businessman is more interested in the lag between the time they walk in the front door and the time approval or disapproval is given. That is where we could really do a job for Canadian small business.

Finally, Mr. Speaker, I should like to touch on something which pertains to my own riding and perhaps others in this country. The previous speaker referred to the branch in his riding. One place where the FBDB could really improve its operation is by making branch banking through the FBDB available to every constituency in the country. All of the major chartered banks have branches in the riding of Simcoe North. They are on street corners or in the middle of the block and are part of the business community. The FBDB has no branch in the riding of Simcoe North. I cannot point to 6 per cent of the loans being made in Simcoe North, although I would like to, but there is no branch in my riding. There are other ridings which do not have a branch either.

Mr. Darling: Like mine.

Mr. Lewis: Including Parry Sound-Muskoka. I am not asking for the corner site and I am not asking for a lot of windows and that kind of thing, but I do suggest, however, that if this government believes in decentralization and bring-

ing government to the people, then it ought to bring the Federal Business Development Bank to the people. A loan manager and a secretary could handle applications on a daily basis. We should really try to make the Federal Business Development Bank part of small business in this country and part of every riding in this country. When the bill goes to committee perhaps the minister could look into this question and tell us what is envisaged for putting branches into the ridings.

In closing, Mr. Speaker, I should like to say that I support this bill. I should like to see it go through as quickly as possible so that the bank can get on with the job of helping small business.

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, rather than repeat the arguments advanced by speakers on this side of the House, I should like to take the opportunity to react to some statements made this afternoon by hon. members opposite. The hon. member for Kamloops-Shuswap (Mr. Riis) at the end of his speech listed a number of questions, and the previous speaker made a number of observations. I should like to take the opportunity to address them directly rather than speak in a very general way about this bill.

We are all anxious to see the bill passed but I think a number of points have been made that are worthy of further discussion this afternoon. The question was asked whether the bank has a clear concept of its mandate. I would argue that it does and has successfully carried out that mandate. Over the past five years in excess of $3 billion has been disbursed to small businesses. How do we know that it has been disbursed to small businesses? Ninety per cent of the loans made have been under $100,000, 50 per cent of those have been under $25,000. There is no question whatsoever that this considerable sum of money has gone exactly where it was intended to go, and that is to the small businessman. Two-thirds of that money was used to start new businesses or to expand young businesses. In total, approximately 30,000 businesses are here that were not here before, or are larger than they were before, and healthier than they were before. Because of that we have in excess of 350,000 extra jobs in this country, many of them in the critical field of high technology.

● (1500)

Part of its mandate has been to dispense advice and information to small businessmen. If one looks at the thousands of seminars that have been conducted throughout Canada, and the millions of pamphlets that have been distributed, and the hundreds of thousands of phone calls that have been answered and referrals that have been made, I think hon. members would agree with me that this part of its mandate has been carried out successfully as well.

There were in this past year 177 loans amounting to approximately $9 million in my municipality, which is Scarborough. Last year there were 971 referrals; 12 clinics, 580 inquiries, and 11 seminars.

Since the program began in 1975, very close to $14 million has been invested or loaned to the small businessmen of my municipality.

From a general perspective or from a very particular perspective, one would have to argue, and I think members opposite would have to agree, that this bank has carried out the mandate with which it was entrusted by this Parliament five years ago. I would suggest to hon. members opposite that this bank has displayed a sensitivity and a responsiveness to the demands of the small businessmen throughout Canada. If one looks at the amount of loans and investments that have been made, and divide that amount by the population of the various areas, one would see that no region dominates the services of this bank, and that no urban centre dominates the services of this bank. The hon. gentleman opposite, who raised the question of the clear concept of the mandate of the bank, comes from a riding in British Columbia. I might advise him that Vancouver has a penetration rate, that is the percentage rate of loans to small businesses made by the Federal Business Development Bank, of 11.3 per cent. In Toronto it is only 3.8 per cent. In Mackenzie, Fort St. John, Salmon Arm and Williams Lake, the penetration ratio is very close to 30 per cent.

The preceding speaker made the point that a part of its mandate is its willingness to lose money. I would argue that that is not a part of its mandate. The mandate states quite clearly that this bank is to break even in its operations. Thankfully in four of the five years it has met its mandate. It is regrettable that economic circumstances in the past year have made it more difficult for it to meet that mandate, but that is an exception. That is not the rule, and I think the bank can be proud of its record of financial success.

An hon. gentleman opposite remarked that there was a need for more branches in the smaller urban and rural areas of Canada. He has more experience than I have, and he is probably right, but I would argue that the bank has taken serious steps to meet this demand. Sixty per cent of its branches are already in the rural areas and the smaller towns, and it is a service that is continually growing. I do not think that he should be critical of what has been delivered so far. I think he should applaud the rate of progress that has been made in such a short time.

He talked about the head office and its relationship with loans and borrowings. I would suggest to him that the bank has an enviable record in its responsiveness and sensitivity to the demands of the local borrower. Ninety-eight per cent of the loans of the bank are negotiated and authorized by the local bank. I am sure this is something which cannot increase much more, just 2 per cent. It is already doing an excellent job of responding to the pressures and demands of the small local businessman.

In short, is the bank meeting its mandate? I say undeniably so. All one has to do is take a look at the demand on the bank for loans, for equity investment, for advice and information. It is growing at a remarkable rate every year, and will continue to grow at a similarly fast rate in the future. It has grown so

much that it has used up in five years all the money that was allotted to it by the last Parliament. That is why it is back here again to get more money so it can continue in the future to do as remarkable a job as it has done in the past.

The hon. member for Kamloops-Shuswap mentioned that the bank lost $30 million last year, and I made reference to that as well earlier in my speech. The explanation for that is a multiple one. There are a number of reasons why the bank lost money last year. The creation of the SLBA has introduced a serious competitor for loans, and that corporation has, regrettably for the perspective of this bank, absorbed the better risks that are out in the marketplace. There are new and vigorous lending companies in the market today which are now competing for this business. In short, the bank has been pushed to the riskier end of the spectrum and that is why, in part, it is having difficulty in making financial ends meet. As well, the erosion of its equity base has made the loans it makes more expensive because it does not have the equity base any longer to command the lower rates on the open market. That problem will be solved by the reinvigoration of new funds, so that when it borrows in the future, it will be borrowing at a better rate than it has over the past year.

Another reason why the bank had difficulty last year and lost money is because hon. gentlemen opposite, who are smiling indulgently at this point, forced it out in the private market. When the bank was first created, the bank had access to the CRF funds and the lower rates that were available with those funds. But it was the administration of the previous government, the party that now sits opposite, which forced the bank completely and totally out into the private market for its funds. Therefore it had to pay the higher rates of the private marketplace.

Mr. Huntington: Mr. Speaker, I rise on a point of order. I have to draw to the House's attention that that statement by the speaker is incorrect. The previous government allowed $245 million through the estimates for borrowing. All it did was increase the ratio of loans to borrowing as a substitute—

Mr. Deputy Speaker: Order, please. The hon. member for Scarborough East (Mr. Kelly), has the floor. I do not believe the hon. member for Capilano had a point of order; it is a point of debate.

Mr. Kelly: Mr. Speaker, if I am in error, I apologize, but those are the facts as I understand them today.

Finally, part of the loss is explained because of the general difficulty of business in the last year and the higher level of defaults that mark the economy today.

The hon. member for Kamloops-Shuswap also made reference to the staff turnover. Apparently there has been 30 to 35 per cent turnover in staff in the last few years. It is not so much that the staff is fleeing the bank as it is that staff members are attracted by the higher salaries offered by the newer institutions now competing in this field.

It is ironical that Petro-Canada raided the private market a few years ago for its staff, and today the private market is raiding the Crown corporations for its staff. I have been informed that the staff turnover for this past year has subsided substantially, that increases in salaries are keeping the young, attractive staff members with the bank. The bank can look forward to the staff stability in the future that it has enjoyed in years past.

• (1510)

Mention was made of the new head office. The suggestion was that this Crown corporation, like other Crown corporations, is following in the grand tradition of Crown corporations and building a huge physical empire for itself. If you look at the balance sheet of the bank, you will see that the revenue it raises goes almost exclusively to the loan and equity investments that it generates. Far from being an example of empire building, this particular Crown corporation is a model for other Crown corporations to follow.

The last two points the hon. member mentioned had to do with the borrowing policies and the lending policies of the bank. When he was questioning the borrowing policies of the bank, he was suggesting that it borrows at too high a cost and passes on that cost to the consumer. As I previously explained, there are a number of legitimate reasons for these higher costs. When this bill is passed, the small businessmen of Canada will be able to look forward to a return to the lower rates that they enjoyed in the past.

As far as its lending policy is concerned, the hon. member was suggesting that the bank was being too loose with its money, that because of the rapid turnover of its staff the younger and newer people it was employing did not possess the expertise to assess and distribute money with prudence and wisdom.

I suggest that with criticisms like this the bank finds itself in an awkward position. Some members on one side of the House criticize it for being too loose with its money. Members in other parties on the other side of the House criticize it for being too tight with its money. All I can say is that it has exhausted the money supply that was given to it. It has done the job properly and will continue to do the job through its lending operations in the future.

If I had any comment to make on the lending policies of the bank, I would suggest that conscious preferences be introduced in the lending deliberations of the bank. Canadian businessmen should have priority over foreign businessmen. Businesses in fields of high technology should have priority over businesses in other areas. Finally, I would hope that businesses that are frontier oriented would have priority over businesses in other older established areas that are serviced by a remarkable field of banking and lending institutions. These are things to be studied more properly in committee. I look forward to continuing the dialogue at that time.

Mr. Bill Vankoughnet (Hastings-Frontenac): Mr. Speaker, I very much welcome this opportunity to join in the debate on the amendment to the Federal Business Development Bank, Bill C-20, now before us. I would like to make it known from

the beginning that I support the amendment and encourage its speedy passage. Also, I would like to say that my general impression of FBDB is a good one. On the whole, it is my opinion that the calibre of service they offer Canadian small business is good and that they fulfil a very important role in the small business sector of the economy. I do have some reservations about certain specific functions of the bank and I should like to address those things. The comments and suggestions that I make are not born of any detailed knowledge of FBDB, but are impressions and opinions that I have picked up in trying to assist constituents in their efforts to secure financing from the bank.

First of all, as I have stated, I welcome the amendment before us today. It represents a welcome recognition of the very important role that small business plays in the total economy of Canada. When I say small business, I mean "small' in a relative sense. I know FBDB can and does loan very significant amounts of money to larger businesses. However, in reviewing the bank's annual report for 1979, I could not help but notice that two-thirds of the approved loan applications were made for amounts of $50,000 or less. I think it is safe to assume that when you talk about loans of this amount, you are generally talking about assisting small business. While I concede that the scope of the FBDB goes beyond merely assisting small business, it is this sector of the economy which I am most concerned about and wish to address. I would like to turn my attention to some of these issues.

When you look at the mandate of the Federal Business Development Bank, you quickly see that its intent was to create an organization which would provide financial assistance to businesses which could not get financing elsewhere on reasonable terms and conditions. In other words, it was set up to be a bank specializing in last resort financing.

However, I am concerned that the bank may be too conservative—if you will pardon the expression—in its lending practices. If this indeed is the case, then it could be argued, with justification, that it is not fulfilling the terms of its mandate.

I am the first person to concede that attempting to determine if this is the case, is a very arbitrary matter. It depends on the criteria you use and what your own opinion is of "too conservative". However, I suggest that this is not a new complaint and may never really be settled to everyone's satisfaction.

In a speech delivered on April 9 of this year by Mr. Peter E. Quinn of industry, trade and commerce to the Canadian Advanced Technology Association, he addressed this kind of concern as it relates to the enterprise development program. He compared the relative timidness of EDP with other agencies and institutions involved in the same pursuit. He mentioned the FBDB's loss rate on loans was in the neighbourhood of 1 per cent of all their issued loans.

It is my contention that determining what percentage of issued loans turn bad is an appropriate yardstick to use in passing judgment on how timid the bank is. If this figure is indicative of the bank's failure rate, then I am of the opinion that FBDB is too timid and may not be following its mandate as closely as it should.

Again, I wish to restate that trying to determine if this claim is justified is a very arbitrary, subjective judgment. Nonetheless, it is a consideration which is fundamental to the operation of the bank if it is to carry out its mandate accurately.

It may be useful to compare this 1 per cent loss rate to other programs of a similar nature. Although it is not by any means a mirror image of FBDB, the enterprise development program could be used as a comparison. In the speech just referred to, Mr. Quinn notes that EDP's loss percentage in its field of jurisdiction approximates some 17 per cent. Again, the comparison of FBDB and EDP may be called into question because of the widely different industries they support; however, it is a comparison worth noting.

Along the same lines, DREE has a failure rate of close to 10 per cent and its mandate does not specifically refer to the department as being a clearing-house for business looking for last resort financial assistance.

• (1520)

If the FBDB is too timid and thus is not completely fulfilling its mandate as I have suggested, then we must question the causes of this tendency. Part of the problem may be found in the fact that many of the people employed by the bank have come from private sector lending institutions. Their training in the private sector has made them understandably leery of risk loan ventures, and for obvious reasons. Once this philosophy is instilled, it is understandably difficult to reject. To come from a chartered bank, which is not favourably disposed to extending loans to businesses turned down everywhere else, it must be trying on credit officers at FBDB to remember that risky ventures are the rule, and certainly not the exception, of their clients.

Another possible reason for this limited risk mentality that has often been levelled at the FBDB may be further compounded by the fact that since 1979 the bank has begun to raise money on the private money markets. Obviously the bank has to recognize the fact that it raises money on the private market and has to temper any excesses in lending money with the responsibility it has to take into account the raising and repaying of these obligations. Therefore, one can easily sympathize with the FBDB for being caught in a difficult position.

These problems could be addressed without compromising the intent and purpose of the bank. The following ideas are submitted as possible alternatives. First, it is important that those involved in processing applications be made aware that the FBDB's mandate includes high risk. Officers must realize that this fact is their primary mandate and must not reject out of hand applications which chartered banks would not touch. It is an approach designed to recondition their thinking, and must be a goal of management.

The second possibility would involve changing the financial operations of the company so that the federal government would allot the bank a certain amount of money each year earmarked as special high-risk capital. That money would then

be distributed to the various branches of the bank and would be directed specifically at projects that would not normally be accepted.

Before I go any further, I must state the obvious. In levelling this limited risk mentality criticism at the bank I do not want to appear to be an advocate of free spending money thrown into projects which have no hope of success. I would like to temper everything I have said so far with an acknowledgment that due and deliberate consideration must be given every application which is presented to the bank. The point I am trying to make is that an element of risk in any loan should not be the sole reason for rejecting an application. The bank is in a high risk business. It is my fear that it may shy away from some applications on the basis of this fact alone. To do that, in my opinion, is to thwart the intended purpose of the bank.

Another area of concern for me in the dealings I have had with the FBDB is the fact that its counselling services may not receive the human and financial resources necessary for them to carry out their important functions. It should surprise no one that many businesses, especially small ones, often get into financial difficulty because they do not have the expertise to make sound investments based on adequate appraisal of market conditions, general economic trends, and so forth. Therefore, it becomes imperative that an agency or institution like the FBDB fill the void by providing such a service. I have every reason to believe that the FBDB carries out its role in providing this service with well trained and highly qualified specialists. However, it is my impression that the resources committed to this aspect of the bank's operations are lacking.

I contend that an ounce of prevention is certainly worth a pound of cure, and if small business has quick and easy access to this kind of service, the number of businesses seeking financial assistance to get out of difficulties will decrease.

I would like to conclude my remarks by stating that although I may be advocating more government assistance in a very risky field of enterprise, I am not turning my back on the need to control government spending which, as hon. members of this House know, is a central plank in our party's platform. What I am advocating is the strengthening of the business sector of our economy through the vehicle of the Federal Business Development Bank. This too is a central plank in our party's philosophy. That is why I support the amendment now before us. That is also why I have offered suggestions to strengthen the FBDB. It is my contention that if these matters are considered and addressed in their entirety, business, especially small business, will be well served by the federal government and its various programs of assistance.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I welcome the opportunity to participate in the debate on Bill C-20, which proposes to amend the Federal Business Development Bank Act.

When the Federal Business Development Bank was established in 1974, its mandate was clearly stated. The new bank was to give particular consideration to the needs of small businesses and to lend money in a responsible manner to those for whom financing was not available—and I underline this—under reasonable terms and conditions from private lenders.

Now, after five years of operation, we are told that increased activity within the business community, and particularly the small business community, has placed unprecedented demands on the Federal Business Development Bank's financial resources. The bank faces the prospect of reaching the statutory limits of its capital and borrowing power within a very few short months.

Like so many of us in these hard times, the Federal Business Development Bank is running out of money. Bill C-20 would increase the Federal Business Development Bank's borrowing power from a factor of ten to 12 times the capital of the corporation.

Without this increase, as has been said earlier, the Federal Business Development Bank would only be able to lend an amount of money equal to the repayment of existing loans. This would cause the bank's loan approvals to drop to one-third of their current level. On the average the bank assists 1,500 small and medium-sized businesses every month. If its loan approvals drop to one-third, well over 1,000 Canadian business operations will be left without funding.

From the outset I want to go on the record as being in support of the proposed increase. I support this increase in spite of some of the criticisms which I will speak about later. I am willing to encourage speedy passage of this legislation through the House so that many Canadian businesses will not be denied access to a vital credit source.

The use of credit is a valuable and essential tool within the small business community. This is particularly true in my constituency of Okanagan North. We are a constituency of small businesses. By way of example, the owner of an independent farm equipment dealership told me the other day that his company's sales volume has doubled every year for the last four consecutive years. He also said that it would have been entirely impossible for him to do this had he not taken advantage of various credit sources, including the Federal Business Development Bank, to buy the inventory and build the facilities he needed to service his customers properly.

Credit, as we all know, is essential to the survival of the small business person, and yet obtaining adequate financing from private lenders is one of the most serious difficulties facing small business firms and, as has been said before in this debate, especially those firms starting new operations.

The Federal Business Development Bank, according to the statistics we have heard, is estimated to assist in the start-up of over 2,000 enterprises per year in Canada. When we add to this the fact that those 2,000 businesses are responsible for the creation or preservation of some 36,000 jobs, it is hard to argue against allowing the corporation to continue lending on a business-as-usual basis.

The Federal Business Development Bank performs a very important function in fostering the development of private enterprise in this country. Private enterprise makes up the heart of the Canadian economy. One of the primary objectives

of at least the people on this side of the House is to ensure that private enterprise in Canada, comprising our small business people, is given every opportunity to take advantage of their individual initiative to grow and prosper.

● (1530)

I believe it is the responsibility of this House to create an environment which will facilitate growth and development—not to hinder or overwhelm it. It has been said many times, Mr. Speaker, but I believe the figures deserve repetition and reinforcement, that the 1.2 million small businesses in Canada employ over two-thirds of our work force. One point two million business owners and two-thirds of our work force deserve more than just the cursory attention of this House. Small business preserves competition and efficiency in the market place. It also provides more opportunities for less skilled workers.

This vital sector of the Canadian economy wants and needs a small business policy which will create an environment in which individual creativity can flourish.

I will confess, Mr. Speaker, that it was with some disappointment, but certainly not surprise, that I watched the Prime Minister (Mr. Trudeau) appoint his cabinet. I had hoped this administration would follow the Conservative lead and appoint one minister whose sole responsibility would be to help small business cope with government and compete with big business. This, however, was not to be. It is obvious the concerns of large corporations seem to be more important to this government than the needs of individual Canadians.

An hon. Member: Agreed.

Mr. Dantzer: As I mentioned earlier, Mr. Speaker, I support this legislation as a housekeeping measure pending a further review of the bank's activities. For example, it appears to me there is at least one aspect of the Federal Business Development Bank which deserves discussion and possible investigation. I speak now not of the contents of the act itself but rather of the manner in which the act is administered, whether by the various individual bank branch managers or by bank policy as directed from above—I am not sure which.

I speak only from my experience and from observations respecting clients who had occasion to use the credit facilities of the bank, and of the actions of the bank in the community in which I live. Like the hon. member for Simcoe North (Mr. Lewis), I have stood next to the borrower on many occasions when he was dealing with the federal bank.

It is my understanding that the purpose of the Federal Business Development Bank is, and was, to provide facilities to small business throughout this country. This includes providing direct loans at competitive rates to those who found it difficult, if not impossible, to receive and obtain credit from the usual and ordinary financial sources under reasonable terms. The purpose of the bank was not to compete for customers with the ordinary existing credit sources available in the marketplace.

I realize, Mr. Speaker, that the bank has other goals and purposes that have been referred to in the House. For instance it is my understanding that they attempt to provide local seminars for small businessmen covering such things as accounting, business management, and other areas of expertise in which the small business person may need advice—and indeed in so far as the bank is successful in these endeavours I commend them for their efforts.

The policy to which I refer, however, is the apparent effort of some local branches to compete—and compete fiercely—for existing business, which the usual financial resources could handle. It appears they compete by advertising and also by establishing local branches in prime office locations—in the so-called high rent districts, in new and modern first floor walk-in offices, for which undoubtedly they pay the highest rent in the area.

By way of example, the Federal Business Development Bank opened a branch office in the town in which I reside, Vernon, B.C., some time ago on the second floor of a fully adequate building, about a block off the main thoroughfare—not prime office space certainly, but adequate for a government corporation which, presumably, was not competing in the open marketplace, but was, in reality, a second-line source of credit.

There should be no need for a great, successful corporate image on the main street on behalf of a federal bank. One would think their needs would be restricted to adequate floor space, a telephone number, an address in the phone book, and sufficient identification on the outside of the building. One would have thought this adequate, and I agree with the hon. member for Simcoe North when he says there should be a branch in every constituency, but not on the main street, not competing with the major banks.

However, in a very short time, the Federal Development Bank in my community was advertising and calling for bids for new office space in a prime location. That particular branch succeeded in its endeavours and now has new office space in a prime location, with presumably higher rent, at more expense to the taxpayer. It is all very nice and it looks very well in Vernon, but I do not think it was necessary.

I hasten to say, Mr. Speaker, it is no answer to say that the cost of this high-class building or the rent of that building is covered in the bank's profits, since any excessive and unnecessary costs will certainly result in higher interest rates and less profit, and a higher rent would eventually cost more to the people who use the service and more to the individual taxpayer.

I can only presume this kind of empire building is carried on throughout the country, and I know there has been some criticism of it. I say that if it is an active policy of the bank, it should be discouraged by the head officers of the corporation as soon as possible. I believe there can be no justification whatsoever for this kind of ego trip on the part of the bank.

I would now like to discuss another practice which, if it exists as a bank policy, should be discontinued immediately.

I presume the bank follows normal banking practices in the granting of loans to its customers. But, of necessity, if it is to fulfil its role of providing a supplementary or secondary line of credit for small business it must, of course, relax some of the usual rules of credit which are enforced by banks or other first line credit granting institutions. So far so good. However, in granting credit the Federal Development Bank almost always takes as security a debenture on the assets of the business which is obtaining the loan.

The debenture is a form used by the bank, as most members of this House will be aware—if they are not they should be—which grants the bank the right in the case of default, to appoint a receiver of the assets of that business, and to take over and sell off all the assets of the business at the discretion of the local bank manager. This, of course, is not an unusual practice, Mr. Speaker; it is also followed by those in private industry when they feel that the type of loan they are giving requires exceptional security. I find no fault with this procedure. However, it is my understanding that this security is taken by the Federal Business Development Bank far more often than by charter banks, at least this is true in my experience.

I might also add, as the hon. member for Simcoe North said, that the Federal Business Development Bank requires documentation that this is far more detailed and extensive and, correspondingly, more expensive than the chartered banks. Thus, while the interest rates may seem to be competitive with those of the chartered banks, all too often the cost of the loan is very much higher as compared to the cost of loans from chartered banks and other private financial institutions. In my opinion, in many cases this documentation is excessive and unnecessary. But this is not the main thrust of my criticism, this is not the real reason I bring the matter up—although these are important matters of practice which the officers of the bank should look to and look to immediately.

The matter which most concerns me is the charge which has been made to me, and which I believe should be answered by the bank, that many of the officers of the Federal Business Development Bank, in their various branches throughout Canada, are too quick to call in their loan when the creditor defaults. By their policy the Federal Business Development Bank—it has been charged—too often entices the business person to borrow too much money and to overextend himself. In doing so, the bank does not provide that business person with sufficient working capital over a sufficient period of time.

● (1540)

In other words, the Federal Business Development Bank does not provide a reasonable repayment plan to enable the borrower to start to overcome his difficulties, to turn his business into a paying proposition, to turn it around to enable him to commence paying off his loan. Instead, at the first sign of default, the bank comes pouncing in, as it were, seizing all assets and the business. In short, the charge is that all too often the Federal Business Development Bank entices the business person to borrow more money than that person should, and then the business owner finds he cannot meet the terms of the loan. Then the bank moves quickly, decisively, and, it appears, without any regard for the welfare of the small business owner. It calls in his loan and proceeds to take over the business by means of an administrator, selling the assets and discontinuing the business.

The small business owner went to the bank in good faith. He took this loan, he mortgaged his assets, and now he finds himself without a business, without a livelihood, without assets, probably with substantial personal debts and facing bankruptcy, if not already in it. Again my charge is that too often the Federal Business Development Bank entices the businessman into bankruptcy. I do not know whether they do this because of the overeagerness of small bank managers attempting to compete in the market and attempting to build up their records. I do not know whether it is done because the manager himself does not have sufficient business experience to know what size of loan is required in the particular business he is financing, or whether he does not know the period of time or the amount of capital the small businessman requires in order to turn his business around. Whatever it is, I think the record is clear.

I have witnessed the scenario which I have painted here. I do not believe, and I know, that it is not an isolated incident. It is a policy which should be condemned by this Parliament. I would ask the minister to assure the House that my complaint will be brought to the attention of those in the bank whose responsibility it is to ensure that this policy is discontinued forthwith. As I said, I support the early passage of this piece of legislation.

Some hon. Members: Hear, hear!

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to say a few words in support of Bill C-20. Along with my colleagues, I certainly realize the importance of this bill. In fact I believe on April 15, just after the House started sitting, I asked the Minister of Industry, Trade and Commerce (Mr. Gray) when this bill would be brought in because it was brought to my attention by several people interested in borrowing from the Federal Business Development Bank that the funds had dried up and that there would be no money there until new, additional funds were voted by Parliament. I am delighted to know that Parliament now has a bill before it and that this bill will receive second reading today.

I listened with interest to the comments of many of my colleagues on both sides of the House. They have quoted all the necessary statistics and figures, so I would just be repeating them. I come from the small rural riding of Parry Sound-Muskoka where we do not have a branch of the bank. With all due respect, I appreciate the comment that it would be nice to have a branch in every riding in Canada, but I am realistic enough to know that money does not grow on trees. Of much more importance than a branch in every riding is to have the money available in every riding and to have officers of the branch there. I have found the officers with whom I deal most co-operative and helpful. One officer with whom I deal is

located to the north of my riding in North Bay, and the other is located in the branch to the south, in Barrie.

Along with a great many other members of Parliament, I have been approached by applicants for federal business development loans. We are told by the applicants that we are all-powerful, that all we have to do is tell the bank to lend them the money and the bank will. Of course, I am well aware that it is far from that. I have told every one of these applicants that, first and foremost, I have been informed in a roundabout way that the bank takes a very dim view of a member of Parliament trying to wield a very big stick on the knowledgeable people. I told them that it was up to them to sell their business or prospective business to the branch. I said that I would try to open the doors for them, but they must have a financial statement ready, they must have the know-how. Also I told them that when they have done this, it is up to them, and if I could assist in any other way, I will do so. I want to commend the many branch managers, or the ones with whom I deal, for their courtesy and their endeavouring to help get the loans through.

Some of us think that they do not move too fast, but I spoke to one bank manager this morning who stated that his average was 45 to 60 days. That is a pretty good batting average, if it takes 45 to 60 days from the time the application comes in until the loan is finally processed. In some cases it could even be quicker. In a good many cases I am aware that the fault lies with the applicant himself. He goes into the branch without a financial statement or does not give the full story to the branch manager. Therefore he cannot expect to get the "okay" right away.

As has been mentioned time and again, the Federal Business Development Bank is the lender of last resort. I am well aware of that because I also wear the shoes of a borrower. Some years ago I had to enlarge the premises I had in Burk's Falls and build a small building. Therefore I went with my hat in hand to the Royal Bank of Canada. While they did not throw me out on my posterior into the street, they would not give me the money. Then I went to the Federal Business Development Bank, and after some time the loan was approved at the peak interest rate, which did not please me too well. That was approximately ten years ago and the rate was 10 per cent. Right after that I think the interest rate started sliding down to 9 per cent. I will admit that I am not too unhappy with the 10 per cent rate today. It will be paid off in due course.

I ask the minister to give consideration to the fact that the Federal Business Development Bank lends money at certain interest rates. I brought this matter up a few weeks ago. Up until three weeks ago, the bank lent money at the very high rate of 19 per cent. Even with the sliding interest rates of today, as the minister knows, the interest rate in the Federal Business Development Bank is 17¾ per cent. Needless to say, we hope that will be amended within the next week or so. That is pretty tough, but the hardest part of it all is that the borrower is locked in for five years. With the high interest rates, the mortgages on homes and so on, banks are providing one-year mortgages in the hope that the interest rates would go down. They have gone down, but it would seem that some of the FBDB new applications and renewals were renewed at 19 per cent a month or two ago. I can imagine what those business people are saying today. They are wringing their hands and are probably saying things not only under their breath. The loans are at 19 per cent and they cannot change this for four or five years, or whatever the case may be.

It would seem to me that the Federal Business Development Bank could operate like the chartered banks and say, "All right, we know it is a very bad time; we will give you a one-year mortgage which will be adjusted when we think things will work out a little better". Again I want to bring that to the attention of the minister.

● (1550)

I am also well aware that the rates of the Federal Business Development Bank are not competitive. From time to time I have told, and I still think of it as the IDB as it is easier to say, the Federal Business Development Bank that their rates are higher than one can get from a trust company, if one wanted the money for a building, or to put up a building, or from a chartered bank. I have advised people that they had better look into every avenue to get the best rate.

Again this comes down to the matter of the lender of last resort. Often many of the applicants do not qualify for loans from chartered banks or other institutions. As a last resort they go to the Federal Business Development Bank. Mention has been made about the higher loss ratio in respect of that government agency. I still suggest, as some others have done, the government should be there to try to help these small businesses get on their feet and remain on their feet. I am also delighted, Mr. Speaker, and Mr. Minister, that this can even be enlarged, so that rather than for bricks, mortar and machinery the bank will lend for working capital.

There are a great many small businesses today which, because of the serious financial situation and general outlook, are finding it pretty difficult to keep afloat. If they have an existing loan and they are able to get some extra money to be used for working capital, and they approach the bank on that basis with some assets, I would hope the bank would consider them in a most sympathetic manner. This is most important.

One of the other things I want to comment on is the facilities which the bank provides; counselling to businessmen and offering them various types of services. This is very excellent. Seminars are held, as mentioned by the previous speaker, to which businessmen can go and lay their troubles on the table, and the bank can send someone down, very knowledgeable, in a particular type of business, to assist them in making more profits, and assist them if they are in financial difficulty so they can remain solvent. I would hope that if these businesses have viable objectives and plans, the bank would then step in and lend them this money.

I know that Bill C-20 is to be put through, so I will sit down and let the minister speak, as I am sure he would like to make a few comments to wrap it up.

Mr. Deputy Speaker: I should warn members of the House that if the minister speaks at this point he will close the debate.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Mr. Speaker, I would like to take the few minutes that are left to express my sincere gratitude to my colleagues on both sides of the House for having commented so favourably on the Federal Business Development Bank and especially to thank them for allowing the second reading of this bill to be completed today.

There is not enough time left for me to reply in detail to the various questions raised. But I do want to echo the hon. member for Capilano (Mr. Huntington) and say how much I agree with his views as regards the expertise of the Federal Business Development Bank staff and their efforts over the past two years in particular to extend their regional offices and expedite their customer service and especially to shorten the time between a loan application and the decision on the granting of the loan. I think we can all notice in each of our regions that service has improved and that the bank makes commendable efforts to serve all regions of the country. I would like to take this opportunity, Mr. Speaker, to say that the Federal Business Development Bank can be an example to all federal institutions and departments as well as all Crown corporations. Indeed, I believe that with the possible exception of Air Canada, it is the national institution which is the most decentralized in the country and I think that we should congratulate it and several of our departments in this regard. The Department of Industry, Trade and Commerce and other departments should imitate the efforts made by the bank these last few years to bring its services to its customers on the customers' own grounds. I would like to join with my colleagues in this House in addressing my sincere congratulations to the president of the bank for having made the most of this policy.

I know that some of my colleagues, including the hon. member for Simcoe North (Mr. Lewis), have said that they would like to have an office of the bank in their constituency, and I myself, as minister responsible for the bank, would very much like to have one in my constituency, but as our friend for Parry Sound-Muskoka (Mr. Darling) has said, we must not dream of castles in the air and money does not grow on trees. Representatives of the bank try to go to these areas by announcing well in advance in local newspapers when the credit officers will be there so that businessmen can meet them, and I believe that is a good tactic.

I was somewhat surprised by the speech of our colleague the hon. member for Okanagan North (Mr. Dantzer) who said that he did not find it normal for the bank to have offices on the first floor of downtown buildings, for instance. For my part, Mr. Speaker, I am personally so proud of the operations of the bank and the services it offers to small businessmen in our country that I find it very important that this federal symbol be quite visible for everyone and that the necessary services can be provided to small and medium-size businesses in pleasant surroundings.

I therefore look forward to seeing everyone at the standing committee, where I shall be able to provide more specific answers to the concerns of the hon. member for Capilano, who wonders why section 31 must be amended and how the additional $75 million will be used. I believe that we shall have every opportunity to discuss this in committee, and once again, Mr. Speaker, I wish to thank my colleagues for their extremely positive comments about the bank.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: It being four o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills.

Order No. 3, the hon. member for York North (Mr. Gamble). Shall the order stand?

An hon. Member: Reserved.

Mr. Deputy Speaker: Stand, by unanimous consent.

Order No. 4, the hon. member for Vancouver-Kingsway (Mr. Waddell). Shall the order stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: By unanimous consent.

Order No. 5, the hon. member for Davenport (Mr. Caccia). Shall the order stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: By unanimous agreement. I wonder if there is an agreement in the House to proceed to order No. 20, and stand everything by unanimous consent prior to that?

Some hon. Members: Agreed.

● (1600)

NATIONAL ANTHEM ACT

DESIGNATION OF "O CANADA" AS NATIONAL ANTHEM

Mr. Ron Stewart (Simcoe South) moved:

That Bill C-220, respecting the national anthem of Canada, be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, it is not my intention to use all of my allotted time this afternoon. The intent of my private member's bill is well known to the hon. members of this House, and it is not my intention to elucidate the obvious. Mine is a measure which has no partisan overtones. Bill C-220 clearly is a measure which seeks to formalize in legislation a generally accepted and important element of our heritage and our nationhood.

A national anthem, like a national flag, is an important external symbol of nationhood. Yet here we are after 113 years of confederation without an official national anthem. I do not seek personal identification with this measure. I do not introduce it for personal or selfish gain. Instead, I see myself as a lowly backbencher, as a catalyst representing the aspirations and ambitions of my colleagues in this chamber and my millions of fellow-Canadians across this great land.

I began my research in the Thirty-first Parliament fully intending to introduce my private member's bill at that time. It was not until this Thirty-second Parliament that I had an opportunity to raise the matter in this House. I want to thank the government for allowing me the opportunity to place Bill C-220 before this House. I understand from Beauchesne's that when bills sponsored by members are called, that they are allowed to stand only at the request of the government and not at the request of the sponsor. I am indeed grateful to the government for causing this private bill to see the light of day.

The chronology of events which culminates here this hour has occurred with sudden swiftness. The sudden swiftness and the apparent unanimity reinforce my belief that a backbencher is not redundant in Parliament and even the lowliest private member has a special niche in the universe which unfolds. In my maiden speech of May 12, I announced my intentions regarding an official national anthem by way of Bill C-220.

On May 15 the hon. member for Parkdale-High Park (Mr. Flis), seconded by the hon. member for Verdun (Mr. Savard), attempted to have passed under Standing Order 43 a motion which officially recognizes "O Canada" as the national anthem and "God Save the Queen" as the royal anthem. The motion did not receive the required unanimous consent.

The following day another motion under Standing Order 43 introduced by the hon. member for Nepean-Carleton (Mr. Baker), on my behalf, failed to receive the necessary consent. In *Hansard* of May 16 at page 1145, after this Standing Order was introduced, the Prime Minister (Mr. Trudeau) is reported as saying:

No. What are the words?

I would just like to say that the words are those which have been accepted in both English and French by every school child and every citizen of Canada. They are the words which everybody knows. On May 21 a motion under Standing Order 43 by the member for Joliette (Mr. La Salle) calling on the government to introduce legislation as soon as possible with a view to designating "O Canada" as the national anthem did receive the unanimous consent of the House.

This brings us to 4 p.m., Friday, May 23, 1980, and Bill C-220, a private member's bill, which could readily be adopted as a government measure, should the government concur. I am approaching the end of my remarks. I hope to be the only speaker from my party. It is obvious from the motion under Standing Order 43 by the hon. member for Joliette that my party supports the intent of my bill. For that reason I believe members of my party have agreed to stand down in this debate and allow me to be the sole spokesman.

"O Canada" has its roots in the formation and development of this great nation. Its genesis goes back to the year 1880 when it was suggested that a competition be held for the composition of a national anthem. Some of the principals involved in the evolution of "O Canada" were Mr. Justice Routhier; the Lieutenant Governor of Quebec, Dr. Theodore Robitaille; the famous French Canadian composer, Calixa Lavallée; and music editor Arthur Lavigne. It has its prime roots in French Canada.

It was not until the turn of the century in 1908 that an English version composed by Robert Stanley Weir gradually came into use. In 1924 the Association of Canadian Clubs endorsed Weir's version as a suitable anthem to be sung at all Canadian Club meetings. At the same time the Weir version was printed in many school readers in several provinces and was given official recognition by the federal and provincial governments on many important occasions.

The Weir version was used to mark the fiftieth anniversary of confederation on July 1, 1917. As stated previously, the words proposed are those which are in common usage in both English and French. In 1948, by order in council, it became the anthem of Canada's Armed Forces and they were required to salute it. Similarly, the Department of External Affairs provided that "O Canada" be accorded the recognition of the national anthem of Canada. In 1967 the special joint committee of the Senate and the House of Commons recommended that the government be authorized to adopt the music of "O Canada", as composed by Calixa Lavallée, as the music for the national anthem.

The government of the day has, on four separate occasions in two Parliaments, introduced bills to adopt "O Canada" as the national anthem. None of these bills went beyond first reading stage. In 1978 the member for Vaudreuil (Mr. Herbert) introduced Bill C-438 respecting the national anthem. We have an opportunity this afternoon to pass into law a measure which has, through 100 years of usage, become a fact of life.

It is not my intention nor my desire to throttle or stifle free speech or debate. But the fact remains that my measure may

easily be talked out and disappear completely. I urge hon. members to consider it in the national interest, not as partisans but as patriots. Give it your support. In Beauchesne, section 217, at page 74 we find the following:

If it is evident that no member claims the right of speaking, the Speaker proceeds to put the question by reading the main motion . . . He then takes the sense of the members of the last of these by saying: "Those who are in favour of the motion . . . will say 'yea'.

Mr. Speaker, and hon. members, say yea for "O Canada". say yea for Canada.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I welcome the opportunity to participate in this debate this afternoon. I should advise the hon. member that the Secretary of State and Minister of Communications (Mr. Fox) will be here later in the debate to comment on this bill. I think from the outset that we should say that there probably will not be a disposition to talk this bill out, as is often the practice. But I cannot guarantee that, because I have not talked with the minister this afternoon. The minister is very glad to have an opportunity to participate in the debate and is very happy that the hon. member has come forward today.

Since we do have a few minutes before the minister comes—and I understand that other members wish to speak—I would like to say a few words. This past week has been a very traumatic one for Canada. It has been one where one particular region, the province of Quebec, voted by a significant margin to stay within Canada. I am sure that all members of the House applaud that vote. The feeling around this House this week is a feeling which I have never experienced in my years in this House of Commons.

There seems to be good will on all sides and a disposition on matters of national unity and the constitution to work together. That is not to say that all parties will agree on every particular item that will be discussed in the forthcoming constitutional debates, but as I said last night in a debate which was very graciously provided for us by the New Democratic Party on their opposition day, this has been a difficult time for us, and we now must come together as politicians from all sides of this House to deal with the future of our country and the future structures in our country on an almost non-partisan basis. I hope that in the speeches which ensue this afternoon members will follow in that vein.

I would like to talk about symbols. "O Canada" has been a symbol in this country for many years. It has been a symbol, as the hon. member for Simcoe South (Mr. Stewart) suggested, of the history of Canada. It was written by a Canadian of French-speaking origin many years ago, and has had wide usage within the country. It is unofficially Canada's national anthem. It is a symbol. I can remember as a young boy of ten years old being in the immigration office in London when our family applied to come to this country—at the time Canada was trying to entice immigrants—seeing a film by the Canadian government which depicted the different regions of the country. I remember at the end of that film, Mr. Speaker, the closing credits came on with the then flag of Canada, the Red Ensign, and the music of "O Canada" sung by an armed forces chorus. I had never heard the song before and, even as a ten-year-old, I was quite moved. It had an appeal for me. Little did I know that some 23 years later, or less, I would be a member of this House of Commons and speaking on the very future of that symbolic song.

● (1610)

As far as I am concerned, Mr. Speaker, I would welcome, as I am sure every member of the House would, the adoption of "O Canada" as the official anthem of this country.

There are some other symbols I wish to talk about, however, as they have equal meaning. One is a symbol for many people of British origin, and that is the anthem "God Save the Queen". I think it is fair to say that not all members of the chamber have the same attachment to that anthem. As one who grew up in Great Britain I have a particular attachment to the royal anthem. I do not think that if we pass this bill, or if the government brings in a bill—as I understand is likely—to make "O Canada" the official anthem and if it does become the official anthem, that that would in any way diminish the royal anthem which is played on all suitable occasions. I would hope that in accepting the symbol of "O Canada" we would not forget that part of our heritage which is reflected in the British fact and the royal anthem.

We also have the flag as a symbol. Some 16 years ago this House was torn apart in the debate over the flag. I know the hon. member for Winnipeg North Centre (Mr. Knowles) was here then, perhaps also the Minister of Transport (Mr. Pepin) and, of course, yourself Mr. Speaker. You will remember that in 1964 there was an emotional tearing apart of the House on the adoption of the flag, and I think for good reason. The Red Ensign had great historical significance for Canada. It was a flag under which Canadians fought in the Boer War, the First World War, and the Second World War. It had great significance for most Canadians—so much so that the province of Ontario has seen fit to retain it as the provincial flag.

In those 16 years the flag we now have, the single red maple leaf, has become the living symbol of Canadian unity. I remember thumbing my way through Europe in 1967, as I am sure many other hon. members have done. I remember the kind of rapport that was struck up between my friend and I and the people in various countries we visited, and how the Canadian maple leaf was recognized as the symbol of Canada. That was only three years after it had been adopted by this House and the wounds still had not healed.

There was great pride—I would not say jingoistic pride, although I suppose there is competition between Canadians and our friends to the south—in having the Canadian maple leaf on our packs and saying to the Americans we met that we were a separate country from them although we might speak the same language with a similar accent. We have a different country and a sort of different heritage, some of it common to that of the United States, but there is a distinctive difference in this country which is enhanced by the fact of two official languages and the many cultures that have decided to call

Canada home. I wanted to mention a couple of those symbols, Mr. Speaker. In the previous opportunities I have had to speak I have dealt with the constitutional question and not participated in some of the emotional aspects of the unity debate that we saw this week.

In conclusion, Mr. Speaker, I should like to say that I am very grateful that the hon. member has seen fit to persevere with his bill and bring it forward again. I think it was fitting that it be called today. Hon. members wanted him to proceed with it and that is why the other bills were stood.

I wish to reiterate my personal support and, I am sure, that of every member in the House. The Secretary of State will be here shortly to make some significant comment on the question of national unity and the symbolism implied and inherent in Bill C-220 which will make "O Canada" our official anthem.

Some hon. Members: Hear, hear!

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I am very grateful and proud as a Canadian to be allowed to speak on this particular issue. Legislation to make "O Canada" our official national anthem is long overdue—I should even like to suggest it is exactly 100 years overdue. It was back in 1880 that Mr. Justice Routhier penned the original French words in 1880, and later that same year Mr. Calixa Lavallée put this poem to music. This anthem was found to be very popular among French Canadians, so much so that it supplanted other French Canadian patriotic songs in existence at that time.

We are aware, of course, that there are many English versions of "O Canada" which have been put to Lavallée's original musical score. The most generally accepted English version, however, was that composed in 1908 by Robert Stanley Weir. The English version has undoubtedly met with the same popularity as the French version.

I feel we must press to officially declare "O Canada" as our national anthem. There is no doubt in my mind that the euphoria created in this House due to the rather welcome outcome of the Quebec referendum was one of the major catalysts behind the unanimous acceptance of a motion on Wednesday, May 21, requesting that "O Canada" be adopted as our national anthem. I think it is appropriate that positive action be taken, and I hope that members of the House will consider doing so this afternoon.

National symbols such as flags, anthems, and emblems play a very important role in our life. They represent and project an image of our land, they provide us with a link to our heritage, and in this manner give us a feeling of continuity and serve to evoke in each of us a more clear conceptualization of our identity as Canadians.

I also feel that national symbols draw us closer to our fellow Canadians in the realization that we all share many things in common. This was part of Robert Stanley Weir's reason for writing English words to Lavallée's tune. He said:

In 1908 it occurred to me that there was an opportunity, by the medium of music, to supply English-speaking Canada with English words which could be sung to the same melody that our French Canadian fellow countrymen were making use of. With one national song as to music, what mattered if the words differed as regards language.

Let us all, in unison, join with one heart and mind in support of this motion.

● (1620)

In examining the bill before us, I invite all hon. members of the House to take a look in four directions with me.

First of all, this bill causes me to look back. I look back to the time of the birth of our nation. I speak of the crisis of confederation. More precisely, I look at the spirit of confederation. One morning, in designating and identifying what Canada would be, Sir Leonard Tilley turned to psalm 72, verse 8. He shared with his colleagues the following words from the psalmist David "And his dominion shall be from sea even to sea, from the river even to the ends of the earth." "From sea to sea" is the origin of the legend on the Canadian coat of arms.

In the last two decades our self-identity has been enhanced by two other symbols of our confederation. Under Prime Minister Diefenbaker we adopted a Canadian Bill of Rights. While Lester B. Pearson was our prime minister we adopted a new Canadian flag. More recently on May 20, Quebeckers forced us to examine ourselves again and realize afresh that we are a nation. A most fitting national memorial to the occasion of the referendum would be to adopt "O Canada" as our national anthem recognizing that originally a French Canadian had written the anthem for us.

Some hon. Members: Hear, hear!

Mr. Lewycky: Third—actually second.

Mr. Cullen: I thought you meant second.

Mr. Lewycky: Yes, second; I have to be a little slower this time. Second, this bill should cause all of us to look ahead. I think that the spirit, intent and purpose of the bill are praiseworthy. We are doing what we should have done long ago. However, I must say that I see this bill as only a first step. I feel we should see this anthem as an opportunity for creativity. I do not think we can look at this bill as a law of the Medes and Persians which does not change.

Personally I have a little bit of a problem with the music designated in the bill. I would be distressed if Canadians looked at this bill so legalistically that they could not transpose the music to accommodate a lower key and a more normal human range. Recognizing that the cultural occasion and situation of the original composition provided for some one hundred trumpets and brass instruments, even a tenor like myself prefers something somewhat lower for public audience consumption.

As the multiculturalism critic for the NDP, I must also look at the contents of the song. Some amendments in the English version should probably also be made in the future. The words "native land" definitely apply to those of us who were born in Canada and to the aboriginal inhabitants. However, Canada is a land of many ethnic groups. I merely think of the dozen and

a half new citizens who received their citizenship papers in Dauphin this last week.

Furthermore, I see no reason why we cannot introduce words in Ukrainian, German, Italian, Chinese and any other language some time in the future.

Mr. Nystrom: And Swedish.

Mr. Lewycky: Swedish, for the benefit of the hon. member for Yorkton-Melville (Mr. Nystrom).

Surely we can encourage and enhance multicultural creativity in our land of Canada. I think back to a time when our present Prime Minister (Mr. Trudeau) was headlined in the Winnipeg *Free Press* of March 11, 1968, under the caption, "Trudeau sees four official tongues if French given recognition." The Canadian anthem should provide in the future a challenge to our pluralistic cultural heritage.

And now, third, I invite the hon. members of this House to take a look within. A philosopher said that an unexamined life is a worthless life. The Quebec referendum has left many positive possibilities and opportunities for action. Families and friends have been split up. Relationships have been broken. Now is the hour of reconciliation. Now is the time for healing past hurts. The Canadian anthem should remind us to look within and to ask ourselves, "What am I doing to promote a spirit of harmony, music, concord and unity in my country?"

Finally, I challenge hon. members to look up. Symbols of nationhood and unity are meaningless if the spirit of cohesiveness and unity are absent. Like Sir Leonard Tilley we need to look up to the source of life and strength. The prayers that Madam Speaker leads us in each day before the doors of the chamber are open to the public must be the innermost longings of our innermost beings rather than a meaningless routine exercise.

In conclusion, I thank hon. members for allowing me to address them by sharing some of my thoughts on why I support the spirit, the intent, and purpose of Bill C-220 respecting the national anthem of Canada.

Mr. Jim Schroder (Guelph): Mr. Speaker, I wish to congratulate the hon. member for Simcoe South (Mr. Stewart) for his sentiments in bringing before this House the bill proposing that "O Canada" be declared Canada's national anthem.

I do not wish to be labelled as an opportunist who is trying to talk out this bill, but I think it is too good an opportunity for a person like myself who considers himself to be a patriot to say something about this great and wonderful country of ours.

When I came into this House I questioned the fact that I might not have had enough experience nor had particular expertise as a lawyer, or whatever else is required, to be a good parliamentarian, but I do feel that I have one thing that all of us have, and that is I have experience of living in the greatest country of the world, and that makes me an expert as far as I am concerned on this subject of how one can love this country.

My friend on these benches mentioned something about the fact that so many of our patriots leave this great country and go south of the border. There is an old saying in this country, "If you can't lick 'em, join 'em." So what I did was to join with an American and now she is living in this country with me and enjoying the great fruits of our country. I am not so sure what happens to my children. My father was of German extraction. My mother's family are Scottish; I married an American of Norwegian extraction, so what that makes my children, I am not so sure. But I know one thing, it does make them citizens of the greatest country in the world.

I do not know whether many of you have been in that area of Ontario which has Fort St. Marie Among the Hurons, which is in the Midland area. If you have never been there and you want to experience something worth while, you should visit the fort. It has been completely reconstructed. At first you are shown a movie of the trials and tribulations of the French and the Hurons and all of the things they went through to try to establish themselves in Canada. As hon. members probably know, in order that the enemy not take over the fort, as the enemy approached the Hurons and the missionaries burned the fort to the ground so that it could not fall into enemy hands. At the back of the theatre there are some doors which rise and, just as the film concludes, the last picture depicts the whole fort burning. As the doors rise, the audience, on departure, walk through the flames, which are filmed on the doors. It is a most exciting and moving experience.

Recently I took some visitors from Britain to see the movie and the fort. They told me, and it may sound rather provincial on my part, that for the first time they really understood the French attitude in Canada because this whole story was mainly about the French and the Indians. It was a very moving experience.

● (1630)

I talked about my American experience, and the thing that really impressed me there was the fact that in the city of Minneapolis they have such names as Minnie-ha-ha, Minnetonka, and Scottish names like MacPhail. When you drive down the street you may see a sign which points to a place called Douglas. Then you have French names like LeSoeur, LaSalle, indicating that the roots that were established by the early explorers of this country, the fur traders and other people, have extended right across the continent. I am sure that is why we have this tremendous common bond with our neighbours to the south. We are more alike than we are different, and much of this is due to the kind of heritage that we all have.

I remember when I was reasonably young at the beginning of the Second World War. Some of my relatives said, "Son, just make sure you keep your patriotism in the sole of your shoe." They had been through a war and had seen what happened. They were telling me, "Look, don't get involved in this war," but my patriotism came to the fore. I had no difficulty in volunteering to serve my country, this great country of Canada. After having been in North Africa, Sicily,

Italy and northwest Europe, England and Scotland, how proud I was all the time I was in these countries to be a Canadian.

I am going to talk a little bit on how this national anthem came about. It gives me an opportunity to mention my riding in this respect. This national anthem "O Canada" came about because of a contest to try to have a national anthem for a particular purpose some 100 years ago. It is interesting that we have in my constituency the Guelph Spring Festival which each year sponsors a contest to try to encourage young Canadian musicians to go on with their work and become successful musicians.

There has been no doubt for many years that when a national anthem is declared in this country, it will be "O Canada". Both tradition and custom vest it with this distinction, although it never has been acknowledged as such by an act of Parliament or by proclamation. Over the years a solidarity of sentiment has developed in the hearts of the preponderance of Canadians that "O Canada" is our national anthem. As a matter of fact we are not dealing with a consensus that we ought to have a national anthem, rather, we are dealing with a solidarity of sentiment that we already have a national anthem, "O Canada." This sentiment is one that should have a very special meaning for us at this very specific and happy time, when our compatriots in Quebec have affirmed their faith in a united Canada.

"O Canada" is the artistic creation of three men; of Adolphe Basile Routhier, who wrote the French words, of Calixa Lavallée who wrote the music for Routhier's words, and of Robert Stanley Weir whose English lyrics, written for Lavallée's music, is the one among many such attempts around which a solid public sentiment has grown.

I would like to present a brief history of "O Canada". Its origins, I submit, are quite pertinent to our deliberations and I feel that an account of them should be on the public record. The subject is of direct, even personal, interest to Canadians all across the country. Yet the details of the story of "O Canada," while in no way obscure or complex, are not widely known.

Shortly after confederation in 1880, Quebec City was preparing for a great gathering, the first national French Canadian convention. This was to be a great public occasion. The program included a patriotic banquet attended by the Governor General of the day, the Marquis of Lorne, and his wife, Princess Louise. There was also to be a high mass celebrated in the open air by the Archbishop of Quebec.

The committee arranging the congress had plans for commissioning a patriotic song and there was a scheme for holding an open competition. The winning entry would have its first public performance June 24, 1880, the feast of Saint-Jean-Baptiste, for the dates of the convention had been set to include this most important French holiday.

We can all imagine the mountain of details that must have preoccupied the organizational committee. Not only was the occasion to involve the highest leaders of state and church, but many French-speaking visitors were expected from both near and far. We can understand, also, how time slipped by until the group responsible for finding a patriotic song realized that it was too late to launch such a competition. Indeed, that is what appears to have happened.

The next turn of events may inspire gratitude for the foresight of the Fathers of Confederation in providing for the post of Lieutenant Governor. Or perhaps our thanks should be for the good fortune that placed a man on the scene who must have combined a good deal of perception with inventive initiative.

This man was Théodore Robitaille, Quebec's Lieutenant Governor at the time. He was a person well acquainted with events and developments in the Quebec capital. When he learned of the committee's decision to drop plans for developing a national song, he simply took matters into his own hands.

His first move was to approach a judge of the Superior Court of Quebec, Adolphe Basile Routhier, who was well known as an orator and man of letters. Would the judge produce a suitable poem? The judge would; and the judge did. Next the Lieutenant Governor called on Calixa Lavallée.

Now, almost a hundred years later, it is almost impossible to get a satisfactory assessment of Judge Routhier's status in the literary world of his day. This kind of assessment is somewhat easier in the case of Lavallée. He was then the leading musical figure in Canada. He had studied in Europe as well as in Canada and the United States. He had a reputation that was both solid and international.

In retrospect, Lieutenant-Governor Robitaille's commission to Lavallée—a commission to compose the air for a patriotic song—came at a most inauspicious time in the maestro's career. Only shortly before, Lavallée had composed, produced and conducted a musical tour de force in honour of the Governor General and Princess Louise. Although the event seems to have been a success in every other way, it turned out to be a financial disaster for Lavallée.

Calixa Lavallée had read the writing on the wall. To remain in Canada would mean a future of routine teaching and playing. Indeed, at the time of Robitaille's commission, he was on the point of making a decision that too many talented Canadians have had to make since; that decision was to leave Canada for broader horizons and, in Lavallée's case as in so many others, that meant moving to the United States.

But to return to the events of 1880, Lavallée seems to have accepted the assignment with real enthusiasm; to compose a setting for Judge Routhier's poem. And quickly.

Nor did Calixa Lavallée waste any time. Apparently only a week or so went by before he had the music sketched out on paper. He tried the melody out on some of his friends. They agreed. It was the real thing. So Lavallée ran off to have the music copied and placed in the hands of Théodore Robitaille.

● (1640)

As things turned out, the work of Routhier and Lavallée was not performed exactly as had been planned originally, that is, during the outdoor mass on Saint-Jean-Baptiste day. Its debut

came the next day at the patriotic banquet attended by the Governor General and by Theodore Robitaille, no doubt in his role as Lieutenant Governor. The immediate response was enthusiastic. Those in attendance applauded. "The new national air is striking and was well received", reported the Quebec *Morning Chronicle*. Arthur Lavigne, a figure on the Quebec musical scene, rushed sheet music of "O Canada" into print.

And then, nothing. For almost 20 years "O Canada" was seldom heard. Calixa Lavallée died in Boston in 1891 with no inkling of the place his work was to take in his native land. Indeed, the piece was not even listed in the summary of his accomplishments set out in his obituary. And the writer of a biography of Sir Adolphe Routhier which came out in 1898 did not consider "O Canada" significant enough even to be mentioned.

But the words of Judge Routhier and the music of Calixa Lavallée were not forgotten. Their emergence from obscurity was described in a column in *Le Devoir* on November 6, 1915, by Arthur Letondal, as follows:

> It had yet to capture the public imagination, and this was to take some time. One cannot dictate to a people what its patriotic songs should be any more than one can impose a new work on the language. It takes time and a special combination of circumstances to awaken national sentiment and win its support. And 20 years were to pass before the song again attracted attention. What finally prompted this we cannot say but we do know that around the year 1900, by some sort of mysterious understanding, certain groups . . . began to campaign in favour of what we then called "Lavallée's Anthem". Our concerts and festivals all concluded with the song and enthusiasm for it grew daily. This was the beginning. Editions soon appeared with English lyrics spreading it across the country. It has now been definitely adopted throughout the nation and its popularity is uncontested.

What we might call the first formal or official exposure of "O Canada" in a purely English-speaking event seems to have occurred when it was played during a tattoo at the military camp at Niagara in 1900. The next year, in 1901, "O Canada" was one of the airs played by massed bands as the Duke of Cornwall, who was to become King George V, reviewed troops who had assembled in Toronto from all over Ontario.

Then, five years later, the firm of Whaley, Royce and Company in Toronto published the music with Sir Adolphe Routhier's original French words and an English version by a Toronto physician, Dr. Thomas Bedford Richardson.

During those early years of this century almost a whole catalogue of English lyrics was proposed to be sung with Lavallée's music. The height of this flurry of poetic activity was related to the 1908 celebration of the three-hundredth anniversary of the founding of Quebec.

Mr. Knowles: That is the year I was born.

Mr. Schroder: It is from this period that we date the English version that has come to be so widely accepted across Canada.

The writer of this English version was also a member of the legal profession. He was the Hon. Stanley Weir, who served during his career as both minister and speaker in the Quebec legislature, and also as a judge of Quebec's Exchequer Court. It is his words that English-speaking Canadians associate almost instinctively with Calixa Lavallée's music as the anthem that identifies this country.

There is much more to be said about this anthem's progress in the hearts and ceremony of the Canadian people.

Suffice it to say that there was ample reason for this House to give unanimous approval to the motion of May 21 by the hon. member for Joliette (Mr. La Salle) that the government be asked to prepare immediate government legislation to make "O Canada" the official national anthem of Canada.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to rise today to take part in this debate on Bill C-220, the purpose of which is to make "O Canada" the national anthem of our country, and I take this opportunity to congratulate the hon. member for Simcoe South (Mr. Stewart) on his initiative. I must say that the simple act of introducing this bill in the House is certainly heart-warming to all of us who, in Quebec, have felt great pride in singing "O Canada" for many, many years.

We have just come out of a referendum campaign with great emphasis on Canada, during which our national anthem and institutions were at the heart of the debate; I must say that whenever we met, "O Canada" was very much in evidence, and we are very happy, following the victory of the side favouring a renewed federalism, to have to deal with a bill such as this one in the House.

Mr. Speaker, we must rejoice in the fact that during this referendum campaign, we have witnessed in Quebec an ever growing devotion for the anthem "O Canada", just when the future of our country was not looking overly promising. I would like to add that during this campaign, "O Canada" became a true rallying point, much like our flag, the single red maple leaf, for everyone who expressed their faith in the Canadian federation.

The present circumstances invite all Canadians, particularly the federal and provincial governments, to renew our constitution and incorporate into it forever our attachment to federalism and to our ideal of freedom, as Canadians, and to our ideal of generosity toward human rights. Given this context, we must take action immediately on all fronts, although the definition or redefinition of our constitution would a priori seem most complex.

There is no doubt, Mr. Speaker, that the proclamation of our national anthem will contribute to create a positive and dynamic impetus which is not necessary for the strenuous task awaiting us in the coming months, but which must be maintained and nourished constantly if we want to convince all Canadians in the west, the maritimes, central Canada and Quebec that in-depth changes must be made in the near future.

At this time, I should like to quote to the House the motion just mentioned by the hon. member, the motion passed on May 21, and explain why it is imperative that we proceed as indicated in the motion, instead of by way of the bill which comes to us, without warning, this afternoon. I quote the motion passed on May 21:

That this House unanimously call on the government to introduce legislation as soon as possible with a view to designating "O Canada" as the national anthem of the country.

By supporting that motion, all parties in the House expressed the wish that the government introduce legislation as soon as possible to make "O Canada" the official anthem of the country. Since the government is getting ready to act to that effect, and implement the motion the House passed unanimously, well, Mr. Speaker, I would much rather vote for a government bill instead of making a decision in this House, this afternoon, with a handful of well-intentioned hon. members, and give that decision which I consider important all the decorum it deserves.

May I be allowed, Mr. Speaker, to remind this House that it was as a result of a motion under Standing Order 43 that the Canadian flag was introduced into this House and given the place it occupies on your right; and also that last year, in this House, an hon. member moved, during private members' hour, that Dominion Day be changed to Canada Day.

• (1650)

Well, that hon. members in a spirit of magnanimity and with good intentions should have let such a bill be referred to a committee, returned to the House and then that such a bill should be talked out by some members on third reading, then, Mr. Speaker, if we want to adopt the national anthem I have been waiting for for a very long time, I would like that national anthem to enter by the front door, not the back door. After the decision we took to keep Quebec in confederation, at a time when the people of Quebec decided to go with Canada in terms of their future, I think they deserve to have that decision followed up by an official decision that will give us once and for all the national anthem we have been wanting for several years.

There is no doubt that passing this bill would be just as valuable and as important a decision as if we waited for the government's, but I think the national anthem of my country should be adopted in a bill that could perhaps include an amendment so the name "Dominion Day" would become "Canada Day". That is one thing I hope and I recommend greatly to the government and the responsible minister.

My insistence this afternoon is not to refuse the adoption of the national anthem, my insistence and my participation in this debate is to recognize the merit of that anthem that has been sung for years by generations of Canadians officially or unofficially, that is being sung to the glory of Canada by a Canadian, Roger Doucet, who made it known across the world and to whom I want to pay tribute today, a national anthem that is already recognized internationally and which deserves to come in this Parliament through the front door. Not only do we owe it legally that official status but we must also ensure that "O Canada" is used more from coast to coast in this country. We will be able to do that only if we can build a country of which all Canadians can be proud, a country whose constitution reflects the geographic reality and the democratic ideal that is ours. Our national anthem must become a symbol of the modern Canada we all aspire to, the brotherly Canada we should build together to meet the fundamental aspirations of its citizens.

Mr. Speaker, I am in total agreement with the reasons that prompted the hon. member for Simcoe South to introduce his motion. I support the principle and the aim of his proposal, to give us a national anthem, but I would much rather have that important gesture that is basic to our country's future, a gesture of Canadian unity, proceed within the standards and norms of the great honours that can often be confessed at the right time by this House, and I would invite the government to indicate the time-frame, hopefully short, within which they propose to act on the resolution that called unanimously for the official designation of the national anthem, and hopefully change the name "Dominion Day" to "Canada Day".

Hon. Francis Fox (Secretary of State and Minister of Communications): Mr. Speaker, it is with great pleasure that I rise in the House of Commons this afternoon in the debate on Bill C-220, an act respecting the National Anthem of Canada.

[*English*]

You might allow me, Mr. Speaker, at the very beginning of my remarks to wear my hat as the Secretary of State, and in reference to "O Canada", to mention that a National Film Board film has won the Jury prize at the Cannes Film Festival. The film that won the prize is called "The Performer", "L'Artiste." It is directed by Norma Bailey. I am especially pleased that the National Film Board won this important prize as we will soon be celebrating, next month, the one-hundredth anniversary of "O Canada".

As you may recall, Mr. Speaker, "The Performer" depicts Roger Doucet as he prepares to sing the national anthem prior to a hockey game at the Montreal Forum. My congratulations, and I am sure those of all the members present in the House this afternoon, go out to the National Film Board and to Norma Bailey.

Some hon. Members: Hear, hear!

Mr. Fox: This is indeed a very important bill and a very important subject matter which has been brought to the attention of the House this afternoon. I would like to say at the outset that the government, indeed, intends to bring in a bill on the national anthem within the next two weeks. While we are in agreement with the general objective that has been presented to the House this afternoon by the hon. member, we do believe the bill should be brought in by the government.

I would just like to refer the hon. member to a motion under Standing Order 43 which was passed in the House and accepted unanimously by all members on Wednesday, May 21. This motion under Standing Order 43 was introduced by the hon. member for Joliette (Mr. La Salle) and I would like to read it. I have the French version in front of me.

[*Translation*]

That this House unanimously call on the government to introduce legislation as soon as possible with a view to designating "O Canada" as the national anthem of our country.

It is indeed our intention, Mr. Speaker, to introduce in this House within two weeks or so, and subject to an understanding between the leaders of the various parties in this House, on the rules of debate, a national anthem bill.

It is my view that at the historic juncture we just went through, it is time that this country had a national anthem.

[*English*]

I think that it is indeed fitting, a few days after the referendum, and as the country gets into the process of constitutional renewal, and embarks down the road to a renewed form of federalism, that this House take some time to consider some of the national symbols we have, and that we have enjoyed in this country. I believe the hon. member's bill goes some way toward establishing or meeting some of these objectives. I am pleased to see that the bill has received a great deal of support in this House.

While I reiterate to him the government's intention to proceed to introduce a bill to declare "O Canada" to be the national anthem, including the appropriate wording for the national anthem, I would wonder if I could ask the hon. member, in the circumstances, whether he would be willing to withdraw his bill and have the subject matter referred to the appropriate committee of the House of Commons for appropriate study. If this measure met with the general approval of the members of the House the government would be willing to see a motion moved to that effect and the subject matter, as opposed to the bill, sent to the committee for discussion, under the understanding that the government indeed would be moving with its own bill within the next two to three weeks.

Mr. Deputy Speaker: Does the House give unanimous consent for the hon. member to withdraw his bill and that the subject matter thereof be referred to the standing committee?

Some hon. Members: Agreed.

Mr. Laniel: Mr. Speaker, I would hope that this commitment from the government is not only a commitment to present a bill for first reading, but to put the bill quickly through the House.

Mr. Fox: If I might reply to that very briefly, Mr. Speaker, it is indeed, the intention of the government to move a bill and we would hope to see it move through the House as speedily and as quickly as possible. Of course, on this matter, as on others, we are in the hands of parliamentarians on both sides of the House.

Mr. Deputy Speaker: Is there unanimous agreement that the mover of the bill may withdraw his bill and that the subject matter be referred to the standing committee of this House?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered.

It being five o'clock p.m., the hour provided for the consideration of private members' business has now expired. Accordingly, this House stands adjourned until 4.30 p.m., pursuant to order made Thursday, May 22.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 26, 1980

The House met at 4.30 p.m.

• (1635)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

CALL FOR INVESTIGATION INTO LOAN TO CUBA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgency stemming from an answer last week to my order paper question concerning the $10 million loan at 3 per cent interest to Cuba approved on February 6, 1975, and the answer stating that to this date no payments have been received on time and that Cuba is currently two semi-annual payments in arrears. I would move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That this House request a full investigation of this unpaid ridiculous-interest loan presumably inspired by a "viva Castro" spirit, that a demand be made upon the Cuban government to immediately bring its payments up to date, that no further loans at such low interest rates be ever issued when the average Canadian struggles with high interest and mortgage rates and, finally, that the government and Crown corporations cease and desist from making any further loans to extremist governments of the left or right without approval being first given by the Parliament of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL RESEARCH

REQUEST TRENT UNIVERSITY STUDY ACID RAIN PROBLEM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that Trent University, in Peterborough, is now a leading centre for environmental studies in Canada, and because a large amount of office space leased by this government in downtown Peterborough is now vacant because of the cancellation of the Parks Canada regional office in Peterborough, and considering that Peterborough is ideally located among the Kawartha Lakes, and that it is the government's intention to deal with the acid rain issue with the help of regional offices of the Department of the Environment, I would move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this government give immediate consideration to designating Peterborough and Trent University as the centre for environmental research into the acid rain problem, thus taking advantage of an already leased government building in Peterborough, while at the same time recognizing Trent University as a major regional research centre for environmental studies in Canada.

Madam Speaker: A motion under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HUMAN RIGHTS

RELEASE OF ARGENTINE PRISONERS HOLDING CANADIAN VISAS—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I am glad I have the Secretary of State for External Affairs beside me.

Some hon. Members: Hear, hear!

Miss Jewett: In view of the fact that over 40 torture victims being held in Argentine's prisons have been granted visas to come to Canada and have not yet been released to come, despite the efforts made on their behalf by Canada's ambassador to Argentina and by refugee-help groups in Canada, and in view of the increasing number of people being imprisoned and tortured in Argentina, many of whom could be granted Canadian visas, I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the Canadian government more actively seek the release of the 40 or more people who have been given Canadian visas but who are still being held in Argentine prisons, and that the Canadian government empower immigration officials to grant visas based on information received by such authoritative bodies as Amnesty International, rather than require individuals to be interviewed personally.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1640)

SHIPPING

WATERBORNE MOVEMENT OF ENERGY AND OTHER CANADIAN PRODUCTS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of some urgency.

Given the present state of negotiations between Canada and Mexico, and in view of the ongoing discussions between our countries and the state of the deliberations with respect to oil and other general trade imports, and in keeping with the UNCTAD suggested formula of 40-40-20, the percentage for the movement of such goods, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House urges the Prime Minister to include in the deliberations the Canadian desire to reserve at least 20 per cent of cargo for transportation by Canadian vessels built in Canada and crewed by Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

INCENTIVES FOR GASOHOL PRODUCTION—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise on a motion of urgency under Standing Order 43. Because of the urgency of gasoline supply, and the fact that shortages may occur at any time, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That the government immediately set yearly goals for ethanol or gasohol production and provide incentives for such production, such as the removal of the excise tax for gasohol gallons and the lowering of the production bond requirements.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

PROGRAMS FOR JOB CREATION—TABLING OF STUDIES—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that the Minister of Employment and Immigration has not produced a full-scale, long-range and cost-effective job-creation program, even though there will soon be close to 1.5 million Canadians who want to work but cannot find employment—almost twice the number of the unemployed during the worst years of the great depression—and given the determination on this side of the House to declare war on the unemployment problem and to have government policies which would create cost-effective real jobs and training opportunities, I move, seconded by the hon. member for North Vancouver-Burnaby (Mr. Cook):

That this House condemn the Minister of Finance for creating the problem, and that it instruct the Minister of Employment and Immigration to table all of the research studies on job creation and manpower training programs that have been paid for by the taxpayers of this country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CAPITAL PUNISHMENT

CALL FOR LEGISLATION REQUIRING DEATH PENALTY FOR FIRST DEGREE MURDER—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter that is pressing and urgent under Standing Order 43.

Whereas a government in a democratic country has the responsibility to reflect the thinking of the greatest possible number of people, whereas a majority of the people of Canada want the death penalty restored, and whereas the death penalty is a deterrent, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House request the government to bring legislation to the House that will require the death penalty for first degree murder.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

EXPORT OPPORTUNITIES FOR SOLAR ENERGY AND HYDROELECTRIC PROJECTS—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the developing countries have a need for energy technologies to offset pressure on their balance of payments because of the increases in oil import costs, and whereas Canada has the technology to meet that need, for example, turbines and generators for small-scale hydroelectric projects and photovoltaic, that is, solar-powered irrigation pumps—to name only two projects—and whereas Canada has the lowest trade levels

of all OECD countries with developing countries, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs examine these two specific export opportunities and devise a clearly defined government program where there is none now to support initiatives in this field.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1645)

RAILWAYS

CRITICISM OF PROPOSAL TO INCREASE MOVEMENT THROUGH METROPOLITAN TORONTO—MOTION UNDER S.O. 43

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that residents of Etobicoke are extremely concerned about the proposal to build a third rail line through their neighbourhood, because of the adverse impact this will have on their safety, the quality of the environment and on property values as a result of increased movement of freight through metropolitan Toronto, and in view of the recent formation of the metropolitan Toronto Rail Action Committee, representing a number of citizens' groups in Toronto with similar concerns, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House request the Minister of Transport to meet forthwith with the metropolitan Toronto Rail Action Committee, so that he may hear their concerns first-hand and the various alternatives which his department might consider in meeting these concerns.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OFFSHORE RESOURCES

RECOGNITION OF INTERESTS OF COASTAL PROVINCES—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I, too, rise under the provisions of Standing Order 43. The provinces of Canada are virtually united in their position that each provincial government administration should exercise control over the exploitation and development of offshore resources. Accordingly, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House direct the Prime Minister, in the interests of renewed federalism, to review the stand taken by the government on ownership and management of offshore resources and recognize the legitimate interests of the coastal provinces.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

POSSIBILITY OF REFERENDUM ON QUESTION OF AMENDING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Labour. I wonder if the minister can advise the House whether he said, during his remarks in Edmonton on the weekend, words to the effect that if unanimous approval by the provinces cannot be found for a new constitution, then eventually some other way such as an appeal to the people will be necessary?

Hon. Gerald Regan (Minister of Labour): I thank the right hon. member for the question, Madam Speaker. I think the words the hon. gentleman read were roughly what I said. I said that if we were unable over the course of the passage of some years to achieve unanimity among the provinces, that in my view at some point in time there would have to be some other course of action taken.

I was questioned afterwards as to what those possible courses of action were, and I said that it might be that the constitution could be amended with three-quarters of the provinces approving. I was asked specifically, "Is a referendum to the people", if the provinces did not approve, "a possibility?" and I said yes, that would be a possibility.

I would make it clear to the right hon. gentleman that I spoke as a citizen in answer to questions—

Some hon. Members: Oh, oh!

Mr. Regan: —and that I carry no ministerial responsibilities in relation to the amendments of the constitution.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

POSITION OF GOVERNMENT ON POSSIBLE REFERENDUM

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, may I ask the Acting Prime Minister, who knows a little bit more about ministerial responsibility than his Nova

Scotia colleague, whether the citizen from Halifax was expressing the position of the government when he uttered those remarks both during his speech and in the press questioning afterwards?

Does the position just outlined by the Minister of Labour here in the House of Commons, in answer to a question directed to him as Minister of Labour, represent the position of the government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would hesitate to add—

Mr. Nielsen: Is this citizen MacEachen speaking?

Mr. MacEachen: —to the very detailed and satisfactory explanation which the Minister of Labour has made to the right hon. gentleman's question. Obviously, the Minister of Labour has said what I confirm, that this matter has not been a matter of government decision up to the present time.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, may I ask the Deputy Prime Minister whether, as is suggested in recent news reports—at least in *Le Droit*—the Government of Canada is now considering or now has under preparation a new federal referendum bill?

Mr. MacEachen: Madam Speaker, I have absolutely no knowledge of that preparation and I have not heard about it.

Miss MacDonald: Ask Regan.

An hon. Member: Regan knows everything.

Mr. MacEachen: Therefore, I think the hon. member can conclude that it is not a matter which has come before the Government of Canada within the last few days or since the referendum; indeed, not since the bill was in the House the last time when I heard that subject discussed.

* * *

● (1650)

FEDERAL-PROVINCIAL CONFERENCES

INQUIRY AS TO DATE OF NEXT CONFERENCE

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Deputy Prime Minister. Now that the Minister of Justice has returned from his cross-Canada tour discussing the possibility of a federal-provincial conference with the premiers, I would like to ask the Deputy Prime Minister whether a date has been agreed to among the premiers and the federal government as to the holding of a federal-provincial conference.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will realize that the Minister of Justice has not yet had a meeting with representatives of the province of Quebec in the round which just concluded. Therefore, it would be my view that until that meeting has been held, or the views of the province of Quebec ascertained, it would not be possible to give a report of that kind to the House.

Mr. Epp: Madam Speaker, I would like to ask the Deputy Prime Minister whether the federal government intends to move forward with a federal-provincial conference even if a meeting with the premier or officials of the Quebec government cannot take place.

Further, when the Minister of Justice met with the premiers as a federal representative, did he also discuss with them an agenda? Was the agenda only that of the federal government, or was the federal government also willing to put on the agenda items that the provinces have advocated in the past such as an examination of the division of powers?

Mr. MacEachen: Madam Speaker, on the first point, I think it is a matter of time in so far as a meeting to be held between the province of Quebec and the federal representative is concerned.

On the second matter, I cannot carry the information any further than I have up to the present time.

* * *

ENERGY

EXPANSION OF ROLE OF PETRO-CANADA—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker since it is pertinent to my question, I am sure I express the views of hon. members on all sides of the House when I say that we were all pleased to hear the highly imaginative and statesmanlike address earlier today by the President of Mexico.

Some hon. Members: Hear, hear!

Mr. Broadbent: Now that I see the Minister of Energy, Mines and Resources clapping, and since the people of Mexico have long since demonstrated the advantage of complete national ownership of the petroleum industry in their country, which is anticipated to bring to the people of that country some $11 billion in revenue this year alone, I would like to ask the minister what early plans the Government of Canada has to implement its pledge to the people of Canada in the election campaign to expand significantly the role of Petro-Canada.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the government is indeed committed, not only to expanding the role of Petro-Canada but also to expanding significantly Canadian ownership generally in the oil and gas industry.

An hon. Member: State ownership?

Mr. Lalonde: Various proposals have been considered and are being examined at the present time by my officials and myself. I hope to be in a position to go to my colleagues in the near future, and then announcements will be made in the proper way once the government has decided what steps are appropriate in the circumstances.

Mr. Broadbent: Madam Speaker, just to be very clear, in replying to questions I put in the House on Friday, the minister's parliamentary secretary said that with reference to a suggestion that Petro-Canada expand its role in the provinces of Ontario, Quebec and the Atlantic, it would be up to Petro-Canada to set its own priorities. That was the gist of what he had to say.

If that is government policy, it will simply be up to Petro-Canada to decide whether it is going to expand into all these provinces which do not yet benefit directly from its retail services; or is the minister prepared to tell the House that the government will be, if not instructing, issuing a strong request to Petro-Canada to expand in these areas soon?

• (1655)

Mr. Lalonde: Madam Speaker, I have always taken the position that it is not the role of the minister to interfere in the daily management decisions of Petro-Canada.

Mr. Clark: What about Eldorado?

Mr. Lalonde: There are executives and a board of directors of that corporation, and they should be left to run it. However, there are regular contacts with the officials of Petro-Canada. I have had discussions with the president of Petro-Canada in the last couple of days, the opportunity of touring certain parts of Ontario with him, and the opportunity of visiting France with him where we attended certain discussions together.

I would remind the Leader of the New Democratic Party that it is pursuant to a request made by this government that, for instance, Petro-Canda is now studying the construction of a large upgrading refinery in Montreal at a cost of approximately $1.5 billion. This construction is for the purpose of upgrading the oil which comes out of six refineries found in Montreal.

I hope to receive a report from Petro-Canada in the next few months. I hope that after this study, Petro-Canada will conclude that indeed this is a very valid and positive development. This is only one example of the numerous steps which are taken through regular consultation with the authorities of Petro-Canada.

Mr. Broadbent: Madam Speaker, the minister has said in his answer that even in this limited area, which I do not by any means totally dismiss, it would take perhaps some three months before any action could be anticipated. In the minister's speeches during the campaign, he said that he would be content if Petro-Canada were to become No. 3 in the industry, which from our point of view is rather paltry because we think that it should be No. 1.

An hon. Member: Order.

Mr. Baker (Nepean-Carleton): Shorten up those questions.

Mr. Broadbent: Given the need to move quickly because, as we all know, oil will go up in value at a constant rate—therefore, the longer we wait to expand, the more we lose in potential revenue—will the government take early steps to request that Petro-Canada buy out one of the other major firms, such as Petrofina which already has a modern refinery in the province of Quebec?

[*Translation*]

Mr. Lalonde: Madam Speaker, even if I had taken part in such discussions with the chairman of Petro-Canada, I am sure the leader of the New Democratic Party would be the first to recognize that it would be extremely inappropriate for me to reveal their contents. I indicated earlier to the hon. member that we have asked Petro-Canada to get involved in the building of a major upgrading refinery in the east end of Montreal. Of course, there are other projects; for instance Petro-Canada is going to participate as a shareholder in the building of the pipeline extension to Quebec City and hopefully to the maritimes eventually. Petro-Canada is deeply involved in exploration work off the coasts of Newfoundland and Labrador and it is considering the possibility of reopening the Come-by-Chance plant in Newfoundland. So Petro-Canada is presently involved in all kinds of projects and our objective is in fact to make it the major Canadian oil company as quickly as possible.

* * *

[*English*]

SPORTS

ACTION TAKEN BY CAHA ENDANGERING EXISTENCE OF NOTRE DAME COLLEGE, WILCOX, SASK.

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the minister of fitness and amateur sport. Is the minister aware of the problem which exists for the college of Notre Dame, in Wilcox, Saskatchewan, because of the action taken by the Canadian Amateur Hockey Association last week?

A motion was passed last week in Edmonton by the CAHA that will endanger the very existence of this world famous Notre Dame College which was founded in 1927 by the late Pere Athol Murray, who was awarded honorary membership to the Hockey Hall of Fame for his outstanding contribution to Canada's national game of hockey.

Will the minister take the action that is necessary to stop this flagrant abuse of freedom of individual choice which could, in fact, close down this great Canadian institution? This matter should be of great concern, not only to the minister and members of this House but to every Canadian.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I am aware of the problem which the hon. member has brought to the attention of the House. It is certainly true that Notre Dame College, in Wilcox, has made a great contribution

in education, as well as in sports, over the years. Apparently, the Canadian Amateur Hockey Association has passed a rule providing that young players in certain age groups cannot transfer from one province to another and then play in CAHA games.

● (1700)

This college attracts a great number of people from outside the province who end up with excellence in hockey and also in education. It is a matter over which the government has no direct jurisdiction; indeed, no jurisdiction that I know of. I will be happy to discuss the matter, however, with the president of the Canadian Amateur Hockey Association and report to the hon. member.

Mr. Gustafson: A supplementary question, Madam Speaker. Is the minister aware of the urgency of this problem? These boys make their home in Wilcox when attending school there. Will he look into it and attend to the situation immediately?

Mr. Regan: Madam Speaker, as I say, I am aware of the contribution since the days when Don Metz and Nick Metz came forth from there to play for the Toronto Maple Leafs, and I am aware of the great work of Frank Germaine who is presently their coach. I certainly recognize that it is an urgent matter. I point out that Cy MacDonald, an excellent Liberal cabinet minister, was a graduate of that university.

Some hon. Members: Hear, hear!

An hon. Member: And hockey player.

Mr. Regan: So I assure the hon. member that I am aware of the urgency and I will attempt to see if there is some middle ground that can be found.

FINANCIAL ASSISTANCE FROM LOTTERIES

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is to the honourable private citizen from Halifax, the sports minister who made a statement in Edmonton. It has to do with lotteries.

How can the minister break an agreement with the provinces which was duly signed by the previous government under the PCO and Department of Justice? I want him to know that his provincial counterparts are calling him a liar. I would not call him a liar—

Some hon. Members: Oh, oh!

Mr. Paproski: —but he cannot play that kind of game with his provincial counterparts.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I want to thank the excellent hon. member for not calling me a liar, since he says he is not going to do that. It is certainly not the intention of the government to break any agreement at all.

There was an agreement that existed between the provinces and the federal government, negotiated by Iona Campagnola, and the former short-lived Conservative government tried to give away the whole shop by changing that agreement.

Some hon. Members: Hear, hear!

Mr. Regan: I happen to believe that we have a responsibility to the arts and to amateur sport at the national level as well as the provincial level; therefore, if the terms of any agreement that was entered into by the interim government allows us to re-enter the lottery field, we certainly will be exploring that with the provinces in the immediate future.

Some hon. Members: Hear, hear!

Mr. Paproski: Ten o'clock, Madam Speaker.

* * *

FOREST FIRES

GOVERNMENT PLANS TO ASSIST VICTIMS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Deputy Prime Minister. In view of the suffering and dislocation being experienced by many Canadians because of the disastrous forest fires raging in many parts of Canada, and in view of the expense that these Canadians will face when they try to return home and re-establish themselves, is the government in a position to tell the House what specific plans it has to help these people and, in particular, will the government consider that it has a special responsibility to native peoples, many of whom are involved in this disastrous experience?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I certainly thank the hon. member for drawing the attention of the House to the very real hardship and suffering that is now going on in various parts of Canada as a result of forest fires.

The hon. member knows that the federal government stands ready to assist in situations which are presented by the provinces as being beyond their capacity, and in these circumstances we will also be ready to consider any such appeals.

ASSISTANCE TO VICTIMS IN REGAINING REMUNERATIVE EMPLOYMENT

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I address my supplementary question to the Minister of Employment and Immigration. In view of the fact that one of the most serious results of the forest fires now raging in Canada could, because of the destruction of so much timber—for example, in the Kenora area—be the loss of employment to many hundreds, if not thousands, of Canadians, what specific plans does the minister and his department have to assist these people in regaining remunerative employment?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in reply to the hon. member for Winnipeg North Centre, I can tell him that during the past two or three days I and several of my colleagues from the cabinet from western Canada—

Some hon. Members: Oh, oh!

Mr. Axworthy: It was a very small plane, Madam Speaker.

An hon. Member: Are you talking about the twins?

An hon. Member: It must have been a two-seater airplane.

Mr. Axworthy: As I was trying to say before the eruption, we spent the last two or three days visiting the fire sites and talking to provincial authorities and people in western Canada to examine the possibility of plans that we could develop for future government action. We had a meeting in Regina, on Sunday afternoon, with federal officials from the joint task force that was established in 1977. That meeting was for developing proposals that will be going forward to cabinet within the next week. It includes an examination and assessment of the problems caused by the very serious fire situation.

I can tell the hon. member that I have never seen anything quite as dramatic or as tragic as the fire situation in my own province, and in Saskatchewan when I flew over. I can communicate to the hon. member that action is being taken. The discussions are going on and officials are preparing a document that will be presented to cabinet at the earliest possible moment.

Mr. Knowles: Don't forget Kenora.

* * *

EXTERNAL AFFAIRS

FISHERIES—RATIFICATION OF CANADA-U.S. AGREEMENT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I should like to direct a question to the Secretary of State for External Affairs. Since the U.S. Senate plans to recess, according to all reports, by the end of June, what steps is the government taking to impress upon that body the necessity of ratifying the Canadian-U.S. agreement which is vital to the management of fisheries on Georges Bank?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, this is one of the most serious bilateral problems facing Canada at the present time, and we are very concerned about it. I am hoping to have the report this week from our parliamentarians who are attending the Canada-U.S. Parliamentary Association meeting.

I welcome suggestions from the opposition. We are trying to formulate the best plan possible to bring our views very strongly to the United States Senate. I might say that we have, of course, brought our views very strongly to the U.S. Administration, but that is not necessarily the same thing as creating an impact on the Senate. We would wish to do that as well.

Mr. Crouse: A supplementary question, Madam Speaker. After the Conservative government brought back the Americans from Iran, Senator Frank Church, head of the Senate foreign relations committee, agreed to put this agreement at the top of the list for ratification.

I ask the minister if he was aware of that fact and, if so, what has happened since that statement was made? Will we have to face the same problem that is presently being faced by Norway, for example, where overfishing has required that country to cut their quotas in half this year? Will we have to face that problem before concrete action is taken to impress upon the Americans the necessity of getting agreement on this treaty?

Mr. MacGuigan: Madam Speaker, one of the most troubling aspects of this problem is the overfishing which is occurring. That was a point which I made very strongly to Mr. Muskie when I discussed the matter with him recently in Brussels, namely, the overfishing by American fishermen that was occurring.

It is not Senator Church who is directly involved with this, but Senator Pell, of Rhode Island, who is the chairman of the subcommittee involved. I suppose he does not regard himself as bound by any undertaking which Senator Church may have given. I can assure the hon. member that we will do our best to have an impact upon the American Senate in this matter.

* * *

DEPARTMENT OF TRANSPORT

PROPOSED MOVE OF WATER TRANSPORTATION ASSISTANCE DIRECTORATE TO ST. JOHN'S; TORBAY AIRPORT—PROPOSED REMOVAL OF PRECISION APPROACH RADAR SYSTEM

Hon. John C. Crosbie (St. John's West): My question is for the minister of Transport, Madam Speaker. On February 16, 1979, the then minister of transport, Mr. Lang, announced that the water transportation assistance directorate in the minister's department was being moved to St. John's, Newfoundland as part of the decentralization program. There were 29 positions involved. It later turned out that some of the civil servants did not want to move there, but the move was reconfirmed by the minister's predecessor, the hon. member for Vegreville, on August 2, a move that was supposed to take place by August, 1980.

• (1710)

Will the minister advise the House whether that move is still going forward or whether he has put a halt to the move, or could he advise just what the situation is.

Will he advise the House also, while answering that question, whether he is planning at the same time to take away from Torbay airport the precision approach radar system, which is now in effect there, that his department plans to remove in June.

One of my questions is a question of removal and the other is a question of moving.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with respect to the removal, that question is still being discussed in the sense that I am trying to accommodate, in this particular instance, the very well respected interests of Newfoundland and those of my department. If my hon. friend would like to wait a few more days, I will gove him a very definitive answer on that at that time.

On the subject of the instrument landing system, this system is going to be installed during the summer. At the same time the present system which is there but which is obviously inadequate will not be used. However, I understand that this will not create major difficulties.

Mr. Crosbie: Madam Speaker, I gather from the minister's answer that he is reconsidering whether this move of the Water Transportation Assistance directorate will take place, because up to now it has been affirmed by two governments that it would go ahead as part of the decentralization program. What reason could the minister possibly have for the move not taking place, other than the fact that St. John's East and St John's West are seats held by PC members? Is there any other reason apart from that involved here?

Would the minister also tell the House whether there are any other airports in Canada that so badly need every type of navigational aid, as does the airport at Torbay which has a constant problem of fog. I do not want a foggy answer, but I want an answer to these questions. Why is the minister reconsidering this stated government policy through two election campaigns?

Mr. Pepin: Madam Speaker, I am quite sure that my hon. friend would like me to try to combine the interests of Newfoundland with the interests of the Department of Transport. This is what I am doing now.

There has been a change in the functions of the directorate itself, and a reduction in the number of people employed by it. I am looking at all these factors and hopefully will come to a conclusion that will accommodate all interests.

* * *

INQUIRY OF THE MINISTRY

HIRING OF DEFEATED LIBERAL CANDIDATE AS SPECIAL ADVISER

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. I want to ask him about the most expensive "twin" in Canada. Recently the minister appointed a friend, Mr. Doug Lauchlan, who was the defeated Liberal candidate from my riding in Calgary West, as special adviser in the minister's Winnipeg office. He has been appointed with a reported salary of—

Some hon. Members: Order.

Madam Speaker: Order, please. Does the hon. member have a question?

Mr. Baker (Nepean-Carleton): He is coming to it.

Mr. Hawkes: Madam Speaker, I would like to know how the minister can justify paying an inexperienced special personal assistant $50,000 a year, when the top administrators in his department make $38,300 or thereabouts.

Some hon. Members: Oh, oh!

An hon. Member: That is a good question.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, first I would like to correct the hon. member in terms of the sum of money mentioned; it is not that amount of money.

An hon. Member: What is it, then?

Mr. Axworthy: Second, I believe that the hon. member for Calgary West would be the first to accept that it is very important for this government to be able to maintain its contact and its information sources in western Canada.

We announced at the beginning, because of the outcome of the election, that special measures would have to be taken to ensure that we would be able to provide services in western Canada, to maintain contact with a wide variety of interest groups and individuals who want to be served both by the government and by a specific department. That is the primary role the minister's staff has played. It has played that role under every government and it will continue to play the same role under this one. I think we should be thankful that we are able to obtain the services of someone like Mr. Lauchlan, who was the former president of Mount Royal College as well as being a Liberal candidate in the last election.

* * *

CANADIAN WHEAT BOARD

INQUIRY WHETHER ADVISORY COMMITTEE CONSULTED ON QUOTA

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to address my question to the minister responsible for the Canadian Wheat Board. In light of the present disastrous growing conditions in western Canada, which could leave the prairie feeder industry without feed, could the minister inform the House whether the advisory committee to the Canadian Wheat Board was consulted before the 45,930 bushel quota per permit book holder was issued?

Hon. Jean-Luc Pepin (Minister of Transport): Obviously, Madam Speaker, I cannot answer this question which is very detailed and presumes information on what went on at the Canadian Wheat Board on that particular occasion. I will consult with the minister responsible for the Wheat Board and report to my hon. friend.

Mr. McKnight: Madam Speaker, the minister then would not be aware that this quota opened 12 days after the ability of producers to reassign their quota acres had expired.

Was this quota, which denies access of equal opportunity of delivery, issued so that the Canadian Wheat Board could repay the country elevators the stocks of barley that they borrowed last June and July from the country elevator system, which now will cost Canadian farmers and cattlemen millions of dollars?

Mr. Pepin: Madam Speaker, in my inquiry I will add the second question to the first.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSED ACTION TO DISCOURAGE INVESTMENT IN FISHERIES IN QUEBEC

Mr. Alexandre Cyr (Gaspé): Madam Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

The newspaper *Le Soleil* reports that some of his officials in Montreal advised two Toronto companies against investing in the fishery industry in Quebec, suggesting Nova Scotia instead as a site to develop their project valued at some $8 million.

Did the minister read the letter which Mr. A. E. Beauchamp sent to Quebec maritime fisheries director Pierre Vagneux concerning the disappointing and disconcerting attitude of his officers in Montreal or was that merely another dirty trick played against the Canadian government a few days before the referendum?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I am pleased to report to the hon. member that I spoke about the matter with the assistant deputy minister of our department in Montreal and he assured me that contrary to the allegations to which he referred, my officials encouraged, rightly in my opinion, that company which wanted to set up a processing plant to make fish products to put it up in the Gaspé peninsula or on the north shore rather than in Montreal so that fishermen may also get jobs in the manufacturing sector. They wanted to send them in the maritime area of Quebec. I suppose the company did not like that. It would rather be near the market in Montreal. Personally, I think that manufacturing jobs related to fisheries should be where the resource itself is found.

* * *

[*English*]

POST OFFICE

SASKATOON POSTAL DISTRICT OFFICE—ENQUIRY AS TO STATUS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is for the Postmaster General. The minister is aware that the delay in announcing the final decision about the future of the Saskatoon postal district office and the Saskatchewan postal region is causing great concern and discontent among the people of Saskatoon and Saskatchewan. Whereas Senator Argue, who is not responsible to this House, has been quoted as saying that the post office will not move, and whereas the minister has not answered my letters requesting a definite answer to the situation, is the minister willing to tell this House today what the decision is? If not, will he tell us when the final decision will be made?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am glad to say that Senator Argue was right in announcing that no change will take place. I regret to say that it was only in the mind of an opposition member that the possibilities of a change in the number of people to be moved from Saskatchewan to another province was contemplated. In fact, I indicated in this House that no decision would be made before I had a chance personally to assess the situation. I did assess it, and I indicated to my officials that that change should not be made.

Mr. Ogle: Madam Speaker, I thank the minister for this clear information that the postal region will not be moved, and I know that is something the people will be extremely happy about. But is the minister aware that such indecision and such insensitivity in not giving clear replies to pertinent questions is causing greater alienation to the people in the west than the fictitious twinning of seats in which defeated Liberal candidates give the impression that they have direct input and control into what Ottawa is doing? Is the minister willing to announce the government's intentions in this House for that part of Canada rather than having the information backdoored through defeated candidates?

Mr. Ouellet: Madam Speaker, it is true that some officials of my department, in order to save some person-years, have done studies in order to merge some of the activities of the post office in western Canada. I am very pleased to be able to report that, thanks to what the hon. member described as twinning and thanks to some Liberal senators, such bad mistakes were avoided.

* * *

ENERGY

IMPLEMENTATION OF OIL CONVERSION PROGRAM

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister aware, as is reported in Canadian Renewable Energy News this morning, of the high degree of concern within his department that a too quickly implemented off-oil conversion program will undermine gains about to be made in Canada's conversion program?

● (1720)

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I understand the question refers to certain concerns within my department about the quick implementation of a certain program. I have received no indication leading me to believe that the quick implementation of the conversion program I announced should threaten anything. On the contrary, that decision was made in agreement with my department, and I am quite determined to put in place as rapidly as possible all measures likely to encourage Canadians to reduce their consumption of gasoline in favour of other forms of energy.

[*English*]

Mr. Schellenberger: Is the minister concerned about this, because his department has stated it is not ready to put in this program as he intended? Also, is he concerned about the confusing reports given to Canadian people about conversion or conservation?

[*Translation*]

Mr. Lalonde: The hon. member must surely be mixing things up. If there are concerns within my department, then the minister reports on them. As far as I know, there are no such concerns. On the contrary, I have received no indication from my officials that there would be any difficulty or danger. I am pleased to inform the hon. member of that.

[*English*]

REPORTED STATEMENT OF ASSISTANT DEPUTY MINISTER

Hon. Bill Jarvis (Perth): Madam Speaker, maybe I can clarify the matter for the minister. One of his assistant deputy ministers is quoted at some length in the article to which my colleague refers as indicating that it was the view of the department that you cannot give the public too many confusing signals and that the department had decided it was too confusing to be told to get off oil and to conserve at the same time, although it is hard to understand why that would be too confusing for the Canadian public. Was that assistant deputy minister enunciating government policy when he made that statement, if in fact that statement was reported accurately?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am glad the hon. member has drawn the particular article to my attention. I will certainly read it. I can at least say that one should not assume it necessarily reports correctly what the assistant deputy minister may have said. Second, if he did say it, I agree with my colleague that I fail to see how it would be confusing to tell the people to conserve and get off oil. I do not see any contradiction between the two.

ROYAL CANADIAN MOUNTED POLICE

ALLEGED SUPPLY OF WEAPONS AND EXPLOSIVES TO NATIVE COMMUNITY IN B.C.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. Recently leaders of the B.C. native community made certain allegations that they were offered weapons, including supplies of high powered AK-47 rifles, dynamite and plastic explosives, training in the use of these weapons and money by undercover RCMP agents, including one Warren Hart. Can the Solicitor General inform this House under what mandate these agents, including Hart, were acting, apparently in 1975, whether this was the March, 1975, cabinet mandate and, second, at what level these particular activities were authorized?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I do now know if there is any truth at all to those allegations, but if they are to be considered, perhaps they should be considered by the McDonald commission that is looking into other matters involving Warren Hart.

Mr. Robinson (Burnaby): Madam Speaker, once again we see the McDonald commission being used to stonewall the political responsibility of the Solicitor General.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): Will the Solicitor General explain to this House when we can expect the report of the McDonald commission? Will he assure this House, particularly in view of some of the possible political ramifications of the report, including involvement of former Liberal solicitors general, that the full report will be reviewed by either the justice committee, sitting in camera where necessary, or a special committee of this House? In other words, will the full, unexpurgated report of this commission be given to us, not a version which is being doctored by the Privy Council office?

Mr. Kaplan: I have already informed the House, and I believe hon. members are aware, that the McDonald commission will be making its principal report this summer and the final report cleaning up smaller matters will be made public before the end of the year. I expect that all of the aspects of that report that deal with responsibilities of individuals will be made public, but hon. members will understand that, if that report is to be of any value to the government in security work, it will contain recommendations which should not be made public. I understand that the McDonald commission may well recommend which aspects of this report should not be made public, but certainly all those aspects that can be made public will be, and in particular references to individuals in connection with various allegations.

LABOUR CONDITIONS

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

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Labour. According to the press he is quoted as having told a meeting in Alberta that, and I quote:

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

Will the minister acknowledge that, in following the procedures it has, the government of Newfoundland has simply followed the practice in the province of Quebec under legislation which precluded Ontario construction workers from gaining employment in that province?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I am pleased to see such interest in my speech to the annual meeting of the Alberta Liberal Association.

Some hon. Members: Hear, hear!

Mr. Nielsen: Was the meeting held in a telephone booth?

Mr. Regan: I urge the hon. member to attend the next time and perhaps he will be able to get the answer directly. I do not believe the hon. member's question could be properly answered in the time that could be allotted by the Chair. Let me just say to the hon. member that as a Canadian I happen to believe that the essence of this country is having a common market in which Canadians can move to any part of the country and be employed without restrictions on the basis of what province they come from.

Mr. Gamble: Madam Speaker, I am delighted with the response of the minister. Let me ask him, if I may, what specific steps he proposes to take to ensure that his hopes and expectations for the future of Canadian workers everywhere in this country will be realized, recognizing that the federal government has authority to disallow provincial legislation of this kind.

Mr. Regan: I thank the hon. member, but I am sure he is aware of the jurisdiction of the Department of Labour and its limitations. I assure him that the minister of manpower is very capable of handling the responsibilities of his department, and I am sure the minister would be happy to brief him some time on the responsibilities of his department.

* * *

EXTERNAL AFFAIRS

RE-UNIFICATION OF FAMILIES—REPRESENTATIONS TO U.S.S.R.

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Secretary of State for External Affairs. On May 20 the hon. member for Eglinton-Lawrence put a motion before this House, which was passed, asking the government to bring to the attention of the government of the U.S.S.R. certain aspects about the Helsinki Accord and the reunification of families, specifically the case of Colonel Len Ovsisher, a colonel in the Russian army and a hero who has been refused the right to leave for Israel. I ask the minister whether representations as set out in that motion have been extended to the government of the U.S.S.R. and, if not, when will they be? Is the minister prepared to report to this House at an appropriate time as to the result of these representations?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am certainly prepared to look into that and report to the hon. member.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Beaches (Mr. Young)—Veterans Affairs—Veterans suffering from cancer because of exposure to atomic bomb testing; the hon. member for Mississauga South (Mr. Blenkarn)—Finance—Capital gains tax—Effect on investment—Reference to committee.

* * *

• (1730)

CANADA MORTGAGE AND HOUSING CORPORATION

RENT INCREASES FOR APARTMENTS IN TORONTO

Hon. Paul J. Cosgrove (Minister of Public Works): I rise on a point of order, Madam Speaker. On Friday last I might have given the hon. member for Beaches (Mr. Young) an incorrect impression as a result of an answer I gave him concerning the Canada Mortgage and Housing Corporation. Although the leases about which he asked are not with the corporation, the corporation does, in fact, control them through a master lease and is moving to increase rents. However, the hon. member will be happy to learn that a 25 per cent formula gearing rent to income has been introduced and this should assist those who are in need.

Mr. Young: Madam Speaker, I wonder if I might be permitted to ask the minister a question in response to what he has just said?

Madam Speaker: I would suggest that the hon. member direct his question to the minister tomorrow. I would be glad to recognize him on that occasion. Otherwise I would have to

ask unanimous consent to revert to oral questions in order to enable him to proceed today, and considering the lateness of the hour I think we had better continue with the agenda.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 99, 135, 239, 290, 689, 695.

[*Text*]

OFFICIAL PASSPORTS

Question No. 99—**Mr. Cossitt:**

1. With reference to the answer to question No. 437 of the first session of the Thirty-first Parliament which states, in part, that travelling to certain countries is stamped as restricted only in diplomatic and special passports and not in passports issued to other Canadians, is it government policy that members of Parliament, in particular, should have less privileges than other Canadians?

2. Is such stamping because of no Canadian diplomatic representation in the countries concerned and, if so, in what way could the government be of assistance to persons with ordinary passports in such countries but could not be of any service to members of Parliament with special passports in the same countries?

3. Will the government re-examine the policy introduced by the former government in this regard with a view to changing it?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. It is not Canadian government policy that members of Parliament should have fewer privileges than other Canadians. Members of Parliament, like any Canadians, may travel on ordinary passports to locations for which diplomatic and special passports are invalid.

2. The use of diplomatic and special passports for travel to such places is restricted because travel on official passports is not appropriate to entities whose governments Canada does not recognize and with which it has no diplomatic relations. Travel on official passports, even if ostensibly private, would acquire an official character inconsistent with a policy of non-recognition. This limitation on the use of official passports does not relate specifically to the lack of Canadian diplomatic representation in the places in question, although it is indeed a consequence of non-recognition and lack of diplomatic relations that there will be no such representation.

3. The government has no plans to change this policy.

INCOME TAX—CHARITABLE RECEIPTS

Question No. 135—**Mr. Cossitt:**

1. In each of the past three years, has the government discovered the issuance of false charitable receipts for income tax purposes where the sums of money shown were not given to the charity concerned and, if so (a) on how many occasions (b) what was the total amount and what is the breakdown by province (c) what are the names and addresses of the organizations concerned including the name of the person responsible for issuing the receipt?

2. For the same years, how many persons were charged in each province and, if any penalties were issued, what were they?

3. How many prosecutions are before the courts and how many charges are pending?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue): 1. Yes.

(a) Seven charitable organizations have been identified as apparently having issued false charitable receipts.

(b) About $4,000,000 in amounts shown on the receipts; province of Quebec.

(c) Secrecy provisions in the Income Tax Act prevent disclosing the names and addresses of the institutions concerned and persons involved.

2 and 3. One person charged on 247 charges; charges are still pending.

PASSENGER RAIL SERVICE—COST OF MAINTENANCE

Question No. 239—**Mr. Herbert:**

1. What is the estimated cost, by province, of the maintenance of unprofitable passenger rail service?

2. What amount did the government contribute in each of the past five years towards such losses?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The Canadian Transport Commission estimates the passenger service losses incurred by federally-chartered railways in 1978 to be $250.7 million. The table shows losses for passenger services aggregated by province. Losses for interprovincial services have been allocated on a mileage basis. The provincial breakdown cannot be interpreted as representing where passenger service losses actually occur. For example CN, CP and Via headquarters expenses all occur in Montreal, but are distributed in the table over-all passenger services. Losses from commuter rail operations are not included. The losses shown are for Canadian National Railways, Canadian Pacific Limited, Algoma Central Railway, Toronto-Hamilton-Buffalo Railway Company, and part of the Ontario Northland Railway. Via's losses for the Western Transcontinental passenger service as paid by Transport Canada are also included from the take-over date of October 29, 1978.

	($ Million)	Per Cent of Total
Nova Scotia	14.8	6
New Brunswick	12.2	5
Quebec	47.6	19
Ontario	108.1	43
Manitoba	17.9	7
Saskatchewan	15.3	6
Alberta	13.9	6
British Columbia	20.9	8

2. Subsidy is paid at 80 per cent of the railways' losses, as approved by the commission. Transport Canada pays 100 per

cent of Via's losses. Payments to Via for the Western Transcontinental from the take-over date of October 29 are included in the 1978 figure. Payment to the Northern Alberta Railways Company is included in the 1974 figure. The table shows amounts that are not yet finalized and may well increase by a few percentage points when final payments are made. The amounts paid to date by the government in each of the past five years towards such losses are as follows:

1974	$135,090,600	1977	$198,689,670
1975	$169,244,489	1978	$204,160,267
1976	$193,374,466		

The Canadian Transport Commission is currently preparing a breakdown by province of the estimated passenger service losses incurred in the year 1979.

ELDORADO NUCLEAR LIMITED

Question No. 290—**Mr. Herbert:**

1. (a) What was the amount paid by the government for the purchase of Eldorado Nuclear Ltd. (b) in what form was the payment made and to whom?

2. Was there any outstanding indebtedness at the time of purchase and, if so, what was it?

3. What was the authorized (a) share (b) issued capital of the company at the time of purchase?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources):

1. (a) $5,271,812.10

(b) Payment was made to shareholders at the rate of $1.35 per share surrendered.

2. Information no longer available.

3. (a) $4,000,000 authorized, divided in shares of $1.00 par value.

(b) 3,887,344 shares

DEPARTMENT OF LABOUR—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 689—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Labour for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Hon. Gerald Regan (Minister of Labour): 1. Two.

2. (a) Two; (b) None; (c) None.

3. None.

4. $18,000.

Old Age Security Act

ENERGY, MINES AND RESOURCES—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 695—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Energy, Mines and Resources for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): 1. 1978-79—24.

2. (a) 20; (b) 4; (c) 0.

3. 3.

4. $154,357.00.

[*English*]

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

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

INCREASE IN MAXIMUM MONTHLY AMOUNT OF SUPPLEMENT

The House resumed from Wednesday, May 21, consideration of the motion of Miss Bégin that Bill C-16, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, when this bill was under debate on Wednesday, May 21, three of us had spoken to it—the Minister of National Health and Welfare (Miss Bégin), the hon. member for Rosedale (Mr. Crombie) and myself. There is one aspect of this matter which all three of us touched on, namely, the relationship between the amount pensioners have to live on and the level of poverty as established by Statistics Canada.

Those who followed the debate last Wednesday will recall that both of the first two speakers apologized for the fact that pensioners who have to live on old age security and the guaranteed income supplement are being forced to exist on amounts below the recognized poverty level. Incidentally, the

poverty level which was talked about last Wednesday is the level established by Statistics Canada, which is the lowest of all the poverty levels which are computed. Indeed, if one looks at the computations of any of the social agencies in any of our larger cities, one finds that the poverty level is much higher.

I appreciated and understood the apology which the other two speakers made for asking senior citizens to live below the poverty line, but I suggested it was not good enough just to try to narrow that gap. The only suggestion made about anyone ever reaching the poverty line was by the minister who thought that possibly by July married couples living in the smaller cities or rural areas would reach the poverty level. I suggested then, and I repeat now, that we should not let this subject of pensions rest until we have established for all our senior citizens a guaranteed level which is above the poverty line. I suggested the other day the figure of 125 per cent. One might go higher but one certainly should not go any lower. No longer do we think of pensions as simply a means of keeping older people alive. Surely we have reached the point at which we assert the fact that older people have helped to build the economy and that they have the right in retirement to continue to enjoy the standard of living they have built up for themselves during their working years. I hope it will not be long before we cease making these apologies for pension levels which are below the poverty line and establish the fact that pension levels should in all cases be above the poverty line.

There was also a fair amount of discussion last Wednesday about the methods of indexing which have been used, and it seemed to be agreed by the three of us that indexing has not worked to give our people the level of pension income they require. I want to make the point again that the fault is not so much with the system of indexing as it is with the basis upon which we started, or in other words the amount of pension income made available at the beginning. One can take the beginning to be at any time—back in 1926, or in 1952 when we moved from the means test to the principle of universality. Take the beginning at any point and it was never enough; if you establish a basis which is below the requirement for decent living, then no amount of indexing by the rise in the consumer price index will place pensions at a decent level.

I say the time has come to establish a level of pensions below which no one should fall, and that the level should be at least 125 per cent of the figure accepted by Statistics Canada as the poverty or existence level.

During the election campaign we advocated not just an increase in the guaranteed income supplement, as does the bill now before us, but an increase in the basic amount of the old age pension. Whereas the present figure is $35 added to the guaranteed income supplement, we proposed it should have been $40 added to the basic amount.

Some will say right away: that is giving it to a certain number who do not need it. Madam Speaker, that problem is with us all the time. The way to correct it is through adjustments in the Income Tax Act which will take money away in large measure from those who do not need it. In my view, there is a world of difference between making people prove their poverty in order to get supplements to their pensions and letting people receive the amount and then dealing with it when they file their tax returns. It is also a fact that no matter where you draw the line—I am thinking now of the guaranteed income supplement—there are always many people above that line who are really in a state of poverty.

● (1740)

I did some calculating some years ago—and my recent calculation leads me to believe that the figures stand—that our senior citizens can be grouped into four categories, and for the purpose of simplicity these categories are in round figures. There are three categories of 30 per cent each, and then there is a 10 per cent category at the top. The 30 per cent at the bottom have nothing else, and that is attested to by the fact that they draw the full amount of the guaranteed income supplement. Then there is the 30 per cent group that has something else but not enough, so they draw a portion of the supplement. At the top there is the 10 per cent group whose income is such that they do not need any increase in the old age security, but the way to deal with those people is to increase the amount of income tax a person pays if he or she draws the full old age security benefit.

But in between the 60 per cent level and the 90 per cent level there are 30 per cent of our senior citizens who are really in trouble. They do not get some of the benefits and prerequisites that go with being a recipient of the guaranteed income supplement. They are just over the line. They find it very difficult to see that some of their neighbours who have a little bit less get something additional and are able to carry on while they are stuck in that category. The answer to that whole problem, in our view, is a position we have taken for a long time, namely, that the best thing we ever did was to put old age pensions on a universal basis, and we should get back to that as soon as we can.

I am going to come back to that before I conclude my remarks, but before I do so I want to speak about some of the groups that are still left without the consideration and the attention they deserve. That group consists mainly of women who are alone or unattached. A good deal has been said about this $35 supplement that we are going to give now, and are giving in many cases to single women. They get $35, whereas a married couple would only get $17.50 each on a monthly basis. But we are still labouring under what I think is one of the most unfair pieces of social legislation we have ever produced in this country, and that is the spouse's allowance. No amount of trying to fix it up, as the former Liberal government did just before it was defeated or as the Conservative government did while it was in power, got us away from the fact that the spouse's allowance continues to be an unfair arrangement. I know this works both ways; it applies to men if they are the younger ones, but there are not that many of them.

According to this arrangement, women in the age bracket 60 to 65 who might be in need get no consideration at all unless they are married to, and living with, an older spouse. The woman in that age bracket who is a widow, divorced or

single receives no consideration at all. I know there are a few cases of women in that age bracket who were spouses and were receiving the spouse's allowance but then lost their husbands and now receive the spouse's allowance until they are 65 years of age. That touches only a small part of the problem. That fact that it is done for some widows underlines the fact that any woman who was a widow at the age of 60 or who became a widow before her husband was over 65 does not qualify.

I remember the night when this program was first announced in the election campaign of 1974. I could hardly believe that we were going to bring in a program which would be so discriminatory. It is still there, and I suggest that the time has come to correct that. The only way that it can be corrected is by providing whatever you are going to provide to the spouse between the ages of 60 and 65 without regard to marital status. This business of saying to a woman, "You will get consideration, you will get the pension, you will get the allowance, only if you have a man," does not fit with our thinking today.

Some hon. Members: Hear, hear!

Mr. Knowles: I urge very strongly that the whole business of the spouse's allowance be reviewed. My view is that what we should have instead is a pension available at age 60 to all persons who are out of the labour market. That would catch the single people and the widowed people, whether male or female.

It would do some other things as well. It would encourage many people in that age bracket to retire and thus would open up employment for younger people. I think that is the direction in which we should move. I understand all the talk that goes on against a mandatory retirement age. We do not have a mandatory retirement age in this country by law, but by custom we seem to have it at age 65. I hope to work a lot longer myself—

Some hon. Members: Hear, hear!

Mr. Knowles: I have already gone seven years beyond that age. I press the point as strongly as I can that the right to retire when you want to, freedom to make that choice, has far more meaning if you let people retire early than it does if you talk about the right to go on.

For the number of people who want to work beyond 65, there are many times that number, particularly those in the kinds of industries that are in my constituency, people who have a really difficult time keeping up with the rat race, who would like to be able to retire at the age of 60, but they cannot do so if there is not sufficient income. The answer to that, in my view, is to establish a pension at the age of 60, and I would do it both for old age security and the Canada Pension Plan for all those who are out of the labour market.

If the government is not prepared to take that step all at once, if it wants to move part way, then it should impose some kind of an income test between the ages of 60 and 65—

Mr. Blenkarn: A means test?

Mr. Knowles: I said income test. The hon. member should not get off the point. I say, do not apply a marital test. If I have to explain it again for the benefit of my hon. friend, there is no question where I stand. I do not want an income test at all. There is no point in suggesting it to the Tories because they would not do it, but I suggest to the government that is over on the other side today that if they want to take one step in that direction, it should be to expand what they are doing, which is a pension provided a woman has a spouse, to a pension provided you are in need of it. Let us get rid of the marital test.

Every time I speak on this subject I speak on behalf of the woman. I know the law works the other way as well, that a man between the ages of 60 and 65 gets the spouse's allowance if his wife is over 65 and gets a pension. There are men who are short changed too because of this legislation, but their number is very few. Custom is such that in most cases the spouse's allowance is being paid to a woman because in most cases she is the one married to the older spouse.

While I am talking about the unfairness of our pension system to women, I want to mention again the fact that the Canada Pension Plan does not have any kind of coverage for homemakers. I want to say right away that I think I understand the Canada Pension Plan very well and I am not suggesting that a pension for homemakers should be made part of the Canada Pension Plan itself. But I do think there should be a parallel plan whereby those women who work in the home and make their contribution to our society and our economy in that way should qualify for benefits equivalent to those that are available to women who are working under the Canada Pension Plan.

Some hon. Members: Hear, hear!

Mr. Knowles: I should say that really the trouble assumes large proportions at about the age of 55. It is women from 55 to 65, especially those who are unattached or alone, who have the greatest difficulty, and one of the reasons for that is that in working years they get lower pay and therefore they build up lower pension rights or, in what might be regarded as their working years, they do the job of a homemaker without any pay, without any pension entitlement, and so this all compounds by the time they reach the age of 55 or 60 and they suffer grieviously, as we all know. There are plenty of statistics about this. Plenty of reports have been written by social agencies of all kinds, by government departments, and of course more reports are being produced all the time. But my contention is that it is time something should be done about it.

• (1750)

As I have said, there are other ways in which women are the victims of ideas that we had in the past, but surely we have got over them. A man and wife live together, raise their family and work. The result of it is that the man goes on a pension and the two of them try to live on that pension, and then the day comes that one of them dies. If the wife dies first, the husband's pension is 100 per cent. But if the husband dies first, the

widow's pension in most cases is only 50 per cent of the pension that the two of them had earned by their joint effort both in the home and out in industry. This notion is really for the birds. It has got to go.

One of the places for it to go first should be in the public service. We have done a little better for ourselves as members of Parliament. If a member of Parliament on pension dies, his widow receives 60 per cent. That is a little better than in the public service and in most other employment. But even that, I suggest, is not good enough. Maybe some of the members of Parliament could take a lot less so that the widows could have a better pension.

But apart from that, this is an element of discrimination which just seems to be part of our fabric. It was 50 or more years ago that pension plans were produced in some places where there was no provision for the widow at all. It was a man's world. It has taken decades to get women considered as being entitled to something more than they get just because they happen to be attached to a man. As I say, this means we must do something about a plan that is the equivalent of the Canada Pension Plan for housewives or homemakers. We must do something about this business of the survivor's pension. We must take other steps that I have in mind. This has to apply outside of government. It has to apply to railway pensions, both the CNR and CPR. It has to apply to private pensions. Indeed one thing we need to do in the whole pension field is to take a much closer look at what is going on out there in the private pension world. It is just not good enough, they way things are at the present time.

I said earlier in my remarks that one of the reasons I wanted a guarantee of a pension level to be at least 125 per cent of the poverty level is that our concept has changed about pensions. When pensions were first started in this country as a result of the efforts of my predecessor, the late J. S. Woodsworth, in the middle 1920s and a pension of $20 a month at age 70 was produced, there was great rejoicing. One wonders how there could be rejoicing over that amount. But it was a beginning, and it was brought about in a day when it was felt that if we at least kept the old folks going, we were doing something that was half decent. Surely we have gone beyond that now.

I can remember when we were discussing the Canada Pension Plan in committee a few years ago. One member found certain statistics and he said, "If people get two or three pension plans together, they are going to end up having just as much income in retirement as they had when they were working". This particular member was shocked at the idea. What is wrong with it? If people have helped to build our economy to the point that it produces a certain standard of living, why should our elderly people not have the right to continue to enjoy that standard of living? Therefore, I contend that all of our pension thinking, whether it is the old age security plan itself, the guaranteed income supplement, the Canada Pension Plan, the public service plan, the armed forces plans, the railway plans or private plans, should be geared to the idea of a level of pension that will enable people when they retire from their productive years to continue to enjoy the standard of living they have had during those years.

It is not often that I go to anything that is connected with the Senate. Hon. members are looking surprised—what have I done? A couple of weeks ago an evening testimonial dinner was held over in Room 200 in the West Block for Senator Croll on the occasion of a report in his name that had been tabled. Actually the party was supposed to have been held earlier this year, but we got into an election and the senators put it off. I went to that party, I admit it. I went to the party for the senator.

I listened with a great deal of pleasure to the speeches that were made about Senator Croll. I listened to the very good humour that a number of those speakers had, but then I listened with particular delight to David Croll's speech. He is a little older than I, but not much. At least he was talking about a portion of history in this country from the 1920s on with which I am very familiar. I could go along with everything he said in that speech, but as he got toward the end of his speech he said, if I quote him with reasonable correctness, that there are two diamonds in the crown of social legislation that we have built in this country and do not let anyone take away those two diamonds. Now, what were they? One was old age pensions on a universal basis and the other was medicare on a universal basis. Of course, one can imagine that I was ready to stand up and cheer when I heard Senator Croll say that. He elaborated on what it means to our older people to have the guarantee of pensions. I think it is the finest thing we have ever produced in this country, the concept of universality with respect to old age security. I dislike anything that detracts from that universality. I hope we will take heed of the kind of message that Senator Croll gave that night to those who were in Room 200.

There is a lot of talk and a lot of writing these days, a great deal of it misinformed, about pension plans. One reads headlines in the paper which indicate that a great pension robbery is taking place, that the funds will dry up, that we will go into the red, and all that sort of thing. It is a lot of nonsense, really. Let me make my point by saying this: the old age security scheme in this country is the fairest, clearest and most honest pension scheme we have. Why? Those who are working pay in and those who are retired draw their pensions. There is no question about a fund running dry. The pensions are guaranteed by the government and they are paid out of current production. If one is producing, one pays in; if one retires, one draws the pension. It is clear in the case of old age security. The same principle really applied to the Canada Pension Plan.

There is a talk about a fund, but what really counts is the production in any period of time that will make pensions possible. The same is true of all kinds of plans. Let us not get wrapped up in or too concerned about these stories about pension plans being in trouble. We have a basic concept here that is good with old age security on a universal basis. We have the Canada Pension Plan to provide an addition to that so that part of one's retirement income is on an earnings related basis. We have the other things that they can do to improve

the picture by taking care of women in the work force, by taking care of spouses and by taking care of widows. If we just give our attention to this, we can have a plan of which we can be really proud.

● (1800)

I believe as the time goes, mine is just about up, so I will not try to go beyond six o'clock. I simply say again that in my view, as one who has followed this subject for half a century, like David Croll, I believe the best thing we have done in Canada is to recognize that our old people on a universal basis deserve the result of the work they have done. Let us put that principle into practice by making our pension of an amount that will enable our older people to live in security and in dignity for the rest of their years.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I rise to address this House for the first time. I take this opportunity to extend to Madam Speaker, the assistant Speakers and to you, sir, my best wishes and my determination to show a spirit of co-operation throughout Parliament. I am proud to represent the people of Willowdale in our national Parliament, and under different circumstances it would give me a great deal of pleasure to be able to speak about my constituents.

But within the context of this debate on Bill C-16, to increase the Guaranteed Income Supplement for our senior citizens, let me just say this about the people of Willowdale. In my riding there are many senior citizens, many of whom live in homes they built themselves. The people of Willowdale have worked hard to make a contribution to Canada, and they are among the thousands of senior citizens who are watching the passage of this bill with great interest because on July 21 it will mean a few more dollars to help them cope.

For some senior citizens this bill will make it easier to keep their homes, for others it may mean better food and for still others it may mean extra visits to their families. This bill, though, is more important to senior citizens everywhere in Canada. I was pleased to hear in earlier debate that it will receive the support of all parties.

I would like for a moment to examine the broader principles underlying this bill. Canadians are aware of the severe economic challenges confronting all industrialized countries and they realize that Canada is intimately linked to the rest of the world through trade and capital markets. Yet, in the face of fiscal deficits in Canada, and even the possibility of little or no growth this year in our economy, we are increasing this program of assistance to Canadians in need, a program to which this Liberal government attaches the highest priority.

The philosophy behind this bill was expressed in the throne speech which said:

[*Translation*]

Canadians recognize the need to live within their national means and they understand that in doing so the state cannot meet every demand or satisfy every group. Therefore, in employing the limited resources available, my ministers will help first those who need help most.

[*English*]

This is a philosophy which I support, because we must strike a balance between fiscal responsibility and assisting those groups in society which are unable to provide for themselves. What does this balance mean to me? It means that, despite the reforms I see as necessary to bring a greater sense of fiscal responsibility to government, it is intolerable that senior citizens are forced to live on incomes which do not provide an acceptable standard of living.

In writing about the plight of the aged, Simone de Beauvoir said:

We are told that retirement is the time of freedom and leisure: Poets have sung 'the delights of reaching port'. These are shameless lies. Society inflicts so wretched a standard of living upon the vast majority of old people that it is almost tautological to say 'old' and 'poor': Again, most exceedingly poor people are old.

● (2010)

Throughout this debate, Mr. Speaker, it is almost as if aging were a new problem. We have heard the shocking statistics, and we have been told of the terrible plight of one group in particular, elderly women, especially widows and other single women. From all the numbers we have heard it is clear that our senior citizens need help. There is an urgent need for this bill and indeed, for much more than this bill.

I was glad to hear the minister say in her remarks in this House that this bill was only an interim measure to alleviate the situation of pensioners until greater assistance can be given. Let us therefore look at the context in which pensioners and senior citizens in Canada today are required to provided for their retirement. In particular I should like to discuss pensions and the broader aspects of reform that I perceive to be necessary.

As hon. members are aware, Canada has three basic ways in which it provides retirement income. One is through the Old Age Security Act, of which this GIS is a part. Another is the Canada and Quebec pension plans, and then there are the private pension plans, both those which are employer sponsored and individual plans such as RRSPs.

As hon. members also know, the Canada Pension Plan has problems, the most urgent coming from projections contained in the Lazar and other reports. They show that the Canada Pension Plan funds will be depleted by the end of the century. To make the plan fully funded it is estimated that contributions must be increased from their present rate of 3.6 per cent to 6 per cent first of all, and perhaps to as much as 9 per cent or 11 per cent in the near future.

There are, as well, very serious problems with our private pension plans. Less than 40 per cent of the entire working force is covered by private plans and there is little or no protection for part-time labourers, including many women. Figures for 1975 show that 81 per cent of unmarried women, 74 per cent of elderly men and 60 per cent senior couples receive no private pension income based on the work they have done throughout their working lives. In fact Canada has one of the lowest rates of coverage by private plans in the western world. Many of these plans have no portability, and three-quarters of the employer sponsored plans in the private sector require at least ten years of service and/or 45 years of age before pension benefits become those of the people who contributed to them.

An hon. Member: Shame!

Mr. Peterson: Right. I cite just one case illustrating the urgent need for portability in our pensions, Mr. Speaker. A woman I know worked for 26 years for a company in Manitoba. That company moved from Manitoba to Saskatchewan, but the woman could not move because of her husband's job in Manitoba. In spite of the money she had invested in her pension plan over 26 years of work, she got only a paltry pension. This is only one example of the many problems of vesting created by our pension plans today and the lack of portability.

As a result of these problems, only 12 per cent of the income of our senior citizens—12 per cent, Mr. Speaker—comes from private pension plans. Nearly half of all income for seniors comes from the public sector, the old age security benefits. I think it is unfortunate that private pension plans have not responded better to modern working conditions. It is estimated that Canadians now change jobs an average of seven times during their working careers. At the same time inflation shows no signs of abating to zero. Pension plans must be designed to react to these realities which working Canadians face every day, if we are to have valuable supplements to the public pension system.

These problems which I have outlined mean that Canadians have less confidence in the private system, less encouragement to save and invest for their future than if a decent return on their investment were assured.

I strongly believe that the pension system will work best when there is a healthy mix of private and public plans. Where possible, people have a responsibility to look after themselves and I endorse the notion that people should save and invest throughout their working years in order to provide for their retirement. But saving and investing will mean nothing if inflation eats into their income and if they lose their contributions because they have changed jobs.

Some hon. Members: Hear, hear!

Mr. Peterson: Our current system of providing retirement security for Canadians cries for change and reform. We have 2.3 million seniors today; in 20 years the number will reach 3.4 million, and six to eight million within 50 years. Within 50 years there will be 2.5 times more senior citizens in relation to our working age population than there is at present. We have only a few years now to deal with the dramatic problems that this change in our society, the composition of our work force, is going to create.

Without drastic changes, employer sponsored plans, particularly in the private sector will provide only minimal benefits, locking people into unwanted plans because of onerous vesting provisions, ignoring large parts of the work force, especially women and part time or seasonal workers, and offering little protection against inflation.

The Canada pension plan will become grossly underfunded. The clear message is that Canada will not be able to provide the necessary dollars to meet even the most parsimonious needs of our senior citizens.

[*Translation*]

I would like to quote from the report of Senator Croll, because I believe it gives an accurate summary of the problem. He said:

> It is a tragedy for senior citizens, as well as a blot on the national conscience that so many old people are being denied a reasonable share of the good things produced in a wealthy and dynamic society.

The senator went on to say:

> It should also be borne in mind that the magnitude of the problem will certainly increase unless some remedial action is taken.

Mr. Speaker, where are we going now?

[*English*]

I welcomed the announcement in the throne speech of a national pension conference this fall. I was further encouraged when the minister said last Wednesday in this House that a broad cross-section of interested parties, including pensioners, would participate. The national pension conference is one of the ways we can make the phrase "renewed federalism" mean something tangible for senior citizens right across Canada.

I should like to make some comments about the remarks of the hon. member for Rosedale (Mr. Crombie), a man who, I am glad, and I am sure all of us are, to see back in good health and back in opposition because of his very great contributions. I do take issue, however, with what he said last Wednesday, and I quote:

> When the minister talks about the national pension conference, I gather she sees that as the substitute for legislation.

And then he continued:

> An increase of $35 a month does not amount to a pensions policy, nor does the holding of a conference. The issues have to be dealt with.

I agree that an increase in the GIS is not a policy in itself, and we have not claimed that it is, but I do not think we should dismiss the conference as a substitute for action. It is, rather, as I see it, the spark for action, the start of legislation. I think that conference will be very important because it will bring together all those responsible for the pension system—government, private companies and pensioners—"to sit down to work out new directions." This is the best forum to deal

with the issues. I expect very positive legislation is going to result from this conference.

We have, as others have pointed out, done much of the field work. Now that we have a good idea of the problems, we have to get to work and hammer out the solutions. Without prejudging the results of that conference I should like to make six suggestions.

● (2020)

First, employer sponsored plans must be revised to allow national portability.

Second, private plans must be changed to improve coverage, indexing and adequacy, and private pension plans will have to come up to scratch.

Third, I hope the conference will look favourably upon the Croll report recommendation calling for larger contributions to the Canada Pension Plan, otherwise it will be under-funded.

Fourth, the national pension conference will undoubtedly raise important questions about the revenue raising powers of Canada's three levels of government. In this light it is essential to remember that, except for Switzerland, Canada is the most fiscally decentralized of all the countries in the Organization of Economic Co-operation and Development.

On the average, tax revenues of local or regional governments among OECD countries are only 44 per cent of that of the federal government. In Canada this figure is 88 per cent.

I believe that the federal deficit cannot be balanced by fiscal management and restraint alone. The question of fiscal powers must be raised early at a national conference on revenue sharing. It is critical to the building of a new Canadian federalism.

Fifth, Senator Croll recommended against compulsory retirement at age 65. Age does not mean that one is unfit to serve or that one is unfit to work. We must adopt a flexible plan with respect to retirement age.

My final point is one raised by the hon. member for Winnipeg North Centre (Mr. Knowles), who is admired and respected for his work on behalf of retired citizens.

Some hon. Members: Hear, hear!

Mr. Peterson: He recommended legislating a pension level of 125 per cent of the poverty line, and made suggestions about the type of indexing that should be used in calculating pensions.

Let me say that I trust that all of us recognize the very real economic needs of our senior citizens. We want to do something for them. The points mentioned are ones that should be at the forefront in our pension conference this fall, and we must find a way to pay for them. This, of course, relates to my point about revenue sharing. Under the current system the federal government would have to bear the full load of any increase. This would be the same with the Canada Pension Plan. The rights of our senior citizens and the funding of the programs to support them should not be left to the federal government alone.

[*Translation*]

To conclude, Mr. Speaker, I support enthusiastically the increase in the guaranteed income supplement for senior citizens not only as a necessary measure, but as one which will give rise to a new era of reform.

Our aim must first of all be to enable senior citizens to live in dignity and security without fear of being pursued by poverty every time they go to the supermarket or to the doctor's office.

[*English*]

But, Mr. Speaker, when we have achieved these measures, when we have achieved all these reforms, we will have taken only the first step, that of helping provide financial security for our senior citizens.

The second step, a step even more important than the first, involves a complete change in our attitude toward our senior citizens. They must not be "out of sight, out of mind". They must not be relegated to the ash heap of uselessness. Until we have learned to tap fully the resources of our elderly, their wisdom, their experience, their love and their concern, until we allow seniors a more useful role in our society and until we have taken the second step we, as a nation, will have fallen far short of our great potential.

Mr. Gordon Taylor (Bow River): Mr. Speaker, one way that history rates civilizations is to determine how the old, the physically and mentally disabled have been treated or are treated. When we look at some of the civilizations of the past, we deplore things such as the killing—even though they call it mercy killing—of people who are disabled, sub-normal, crippled or old. Our civilization will be rated by future historians on how we treat our senior citizens and how we treat our crippled and our disabled, whether they are disabled physically or mentally.

I will not be too long tonight because I know there are many other members who want to make a contribution to this debate, but I do want to deal with about five or six items that come under the principle of this bill.

The first one was dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles) under the topic of universality. There was a time when I was very vocal in regard to universality, and I felt that the pension was the right of citizenship and that everyone should receive it. I have changed my mind, for two reasons. In the first place, the government is short of funds. The government has to establish priorities. When priorities are established, it is not always that senior citizens or the disabled who get high enough on the list.

When I enter a home of a senior citizen who has worked his entire life in a coal mine, I find that in the last three days of the month that person has to eat bread and soup occasionally because his pension has run out. Then I look at those who are in that upper group, the 10 per cent or 15 per cent of people who do not need money at all. Even though they pay some

back in income taxes, they do not put it all back. Because of these two things I have come to a conclusion that a better policy than universality would be to keep the same amount of money for this particular vote but to distribute it on a different basis so that those who needed it would get it, and those who do not require it at all would not get it.

I know there are many people who are over the age of 65 who have not applied for the old age pension, and properly so in my view. They do not need it, they are still working. I can see no reason to pay a pension to people who are still working. We talk about leaving the choice of retirement at age 65 or at whatever age a person wants to retire. That fits right into my philosophy of life, freedom of choice, which is part of the philosophy of the party I represent in this House. But if we are going to say that people who are able and who want to will continue to earn wages well past the age of 65, then I can see no reason at the same time to be paying them a pension out of public funds because they are senior citizens. I would much rather that that money be distributed to those who need it so that our senior citizens will not have to live during the last four or five days of the month on dry bread or watered-down soup.

We have to be realistic about dealing with this matter of universality. I can see no reason to pay the pension to those who are well off and who are well able to live without it and, at the same time, not pay enough to those who really need it so that those people can at least live reasonably well through the period in which that pension is paid.

• (2030)

I have changed my mind about the pension being a right of citizenship. I do not want to go back into any rigid poverty means test. I simply say that those who are working and continuing to earn good wages after 65 should not, in my view, be drawing the old age pension. That money, whatever amount, would bring into the pockets of those who really need it a little bit of extra cheer, without costing the government any more if the priority prevents the government from increasing the amount of money for this particular vote.

The second item that I want to deal with is directly in connection with the guaranteed income supplement as set out in this bill. During the election there was a good deal of misunderstanding. Many people said, "we will be getting $35 each after the election if Mr. Trudeau is elected." According to my understanding of the bill, that was right. I said, "yes, I believe that is what is planned." It has been rather sad for many married couples to find that it is $35 per household, or $17.50 each. It will certainly be helpful and help those who are having a difficult time, but it is another aspect that I do not like.

One married couple said to me, and I was horrified when they said it, "We could very easily separate and get $35 each." I hope the department will keep very close tab on that particular item. The laws of this country should be encouraging marriage, not separation, or common law which is becoming more acceptable and more common in many areas.

In my view we should be sticking to the family which is the foundation of this nation, encouraging the family to stick together, work together, and, as I often said, pray together. When we pay so much per household, it has an adverse effect. When we pay $17.50 each to a married man and a married woman, both of whom are pensioners, and pay $35 to a bachelor, it does make our senior people think.

I would like the government to think that problem through and see if there is something that can be done to do away with this aspect that many people feel is discriminatory. They are all old age pensioners, yet they are being paid different amounts. Many of them have the same expenses, the same rent and everything else, but they get a different amount of money. I hope that our legislation will not drive married people apart but will be aimed at keeping them together to the greatest degree possible.

The third item I want to deal with in connection with this bill has already been mentioned by other speakers, that is, those who do not qualify at all. They feel that this is discrimination. Take the spinster who is 58 years of age. When she reaches 61 or 62, she still gets nothing. She has to wait until she is 65 before she can get any assistance.

What about the widow whose husband died when she was 58 and he was 59? She has raised her family and now she is alone. She will get nothing until she is 65. This is a sad group, an unfortunate group to be in. Such a person would look at her sister or brother who happens to be married, and would see that they get enough at least to keep them alive. Some of these people feel bitter. Some have said, "Why didn't the spinster who worked all her life provide for her old age?" There are many reasons. Many of these people are spinsters because they were providing for a widowed mother or a disabled father, or for a brother or sister who was unable to look after themselves. They sacrificed their life earning and providing and keeping a home through all those years, until they suddenly found that they were old. But for them there is no help until they are 65.

Rather than universality, giving something to everybody, I hope that we will try to give something, even though it is not the greatest possible amount, to those who need it. There are those who have planned for the future who today are having a nightmare of frustration. They worked hard all their lives, built up a farm or a business, and now they are ready to retire. They think they have enough put aside. They paid taxes throughout the years. Now they feel they are able to retire and live on what they have provided for themselves.

When they go to sell their farm or their business, the government steps in and says, "Just a minute, we want half of that to be taxed as capital gains." They have already paid their taxes throughout the years, paid it on every cent they have made. They have been scrupulously honest. Now their government is taking another handful.

It has reached the point where one farmer in my riding said to me, "Now I am on the poverty line, all my plans have been cast aside because this capital gains stuff came in." It not only kills initiative, but it ruins the hopes and the plans of people who have built and worked long hours and long days, in many

cases without holidays. They did this in order to build up something for their old age, but now they find there is not enough there.

One of the last speakers mentioned inflation. If we need to have capital gains, and I do not think we do—I would like to see it done away with entirely—why do we include the inflationary aspect when we start to value capital gains? A businessman said to me he would not have minded paying on the true capital gains, but he had to pay on the inflated value. We index pensions but we do not index capital gains. There has to be some fairness in this. If capital gains were eliminated, many businesses would expand. Many senior citizens would be able to retire. If this were to happen on the farm, a young man could farm more land, raise more cattle and more food. It would be a boon to the economy. As long as we keep capital gains over the heads of people, they are not going to use that initiative.

● (2040)

As I think I told this House before, one businessman said to me, "I'll work 14 hours a day to build up something for my wife and my children, but I am not going to work 14 hours a day to build up something for some blankety-blank government." He was not referring to any particular stripe of government, just government which would take part of the earnings he built up for his old age. Well, they did plan, but it hasn't worked out. Small businessmen face the same thing.

Small business—the last member spoke feelingly about encouraging business to provide a pension plan of some type—is faced with the problem of just staying alive without including anything else. If we are to have pension plans in our small businesses there has to be some government encouragement, not government help but government encouragement. Just look at the figures presented by the government the other day. There were 5,000 bankruptcies in the month of April alone. Five thousand businesses went under; those were businesses without any retirement plan. It is said that the best of plans sometimes go astray, and I can feel the bitterness from some of our people who have planned and worked only to find that through no fault of their own they are left in a precarious position in the senior years of their lives.

The next point I would deal with is the matter of social legislation. In this country we are getting to the point at which we are including everything under social legislation, including veterans pensions and pensions for prisoners of war. Veterans pensions should not be under social legislation, neither should pensions for prisoners of war, veterans and their dependants. That is not social legislation. That is a national obligation. These people left part of their lives on the battlefields so that we could live a life in freedom with our own government. Then we put them under social legislation. It is not social legislation at all. It is a national obligation. We say we will pay so much to widows of pensioners who were getting less than 47 per cent, down to 37 per cent, so that in five years they will be able to get their proper pension. Mr. Speaker, I wonder if it is realized how old these people are. Some of them served in World War I, and others in World War II. They haven't long to live. We say to the widows, "Wait for another four years and then you will get the pension your husband would have received had he lived." I do not think we should include veterans and prisoners of war under social legislation at all. It is a number one national obligation which we owe to these people.

The last point I want to mention concerns the way in which we work out pensions. It is a type of universality, I suppose. To get back to the point with which I started tonight, I think history will decide whether we are in the high category, the medium category or the low category when we are being rated according to the way we treat our senior citizens. I am not referring to the rich; they can look after themselves. I am concerned with those who are not able to look after themselves, those who made plans which went astray, or those who did not make plans but who are human beings, and the group of women who are in that category but who get nothing until they are 65. They are too old to work so we tell them to go on welfare after they have spent their lives saving money for the government because they continued to work to look after a disabled brother, mother or father.

I will support the second reading of this bill although I do not like the division of the $35 a month between a married couple. I think it is going to drive some families apart. But every bit helps. I went into a home in my riding. A man who spent 50 years working in the coal mines was eating dry bread. I felt a lump come into my throat: after all those years, this fine man who raised a family, could only afford to eat dry bread. He did not have any money left from his pension. We can do better than we are doing. If the government cannot find extra dollars to help these people, let us forget about the extra 10 per cent or 15 per cent at the top, those who don't need the money. Let us distribute that amount, at least, to those who are in dire need. We will be helping to raise the poverty line. Let us make sure that when history rates us we won't be at the bottom of the ladder.

Some hon. Members: Hear, hear!

Mr. Peter Lang (Kitchener): Mr. Speaker, I am pleased to have this opportunity to participate in the debate on the second reading of Bill C-16. I must also say, that I feel very close to this issue. As many hon. members may know, I was a family physician before the last election. But what they may not know is that my practice was largely dealing with the elderly. So you see, Mr. Speaker, I feel I have a good first-hand knowledge of the problems faced by the elderly as they relate to health and also social security measures.

I think every hon. member realizes the gravity of the problem of maintaining a decent standard of living for our senior citizens. The situation is especially acute in times like the present when governments must walk a fine line in terms of aiding those hurt by inflation and of fuelling the fires of inflation through increased government spending. In the Speech from the Throne it was recognized that, "Inflation strikes hardest at the aged and those least able to take care of themselves." It is precisely in view of this that the government

is proceeding early with the proposal to raise the guaranteed income supplement by $35 a month.

There is no doubt that there is a real need for increased assistance to our elderly population. I would like to illustrate this fact with a few startling statistics. As many in this House may know, we have in our country approximately two million persons currently receiving the basic old age security pension. But what many may not be aware of, however, is the extent to which these old age pensioners rely on the government to provide additional income assistance through the GIS program. For example, over a half of all old age pensioners have little or no income apart from the basic pension. In December, 1979, 807,000 elderly persons were receiving a partial income supplement. Even more indicative of the vulnerability of our older population is the fact that an additional 381,000 were receiving the maximum benefit payable under the guaranteed income supplement. In other words, about 17 per cent of all pensioners rely solely on the federal government to provide them with the income they require.

The minister has indicated that we are falling short of the mark in guaranteeing our elderly population an income which is at least equal to the poverty level. I say that this is only the first step in bringing our elderly just up to the poverty level. This is only a first step and I support the legislation before us for that reason. The poverty level particularly affects single pensioners, and they are predominantly women. It is in an effort to bring these people closer to that mark—the mark of the poverty level, that they may live their later years in some semblance of dignity and independence—that we are seeking approval of Bill C-16 today.

● (2050)

Bill C-16 is not a complex piece of legislation. In general, the bill directs additional financial assistance to the low income, elderly population and, in particular, to single elderly people, who do not benefit from the combined effects of two OAS pensions and two GIS benefits.

The GIS rates, established under the Old Age Security Act, are adjusted quarterly, in accordance with the consumer price index. The maximum rate, for the quarter commencing April 1, 1980, is $153.35 a month for a single pensioner, and $127.51 a month each for a couple where both are pensioners. Up to these rates, the amount of GIS payable depends on the pensioners' monthly income from other sources. Bill C-16 provides that, in addition to the normal indexation made for the quarter commencing July 1, 1980, the maximum monthly GIS rates will be further increased by $35 for a single pensioner, and $17.50 each for a pensioner couple, or $35 per pensioner household. This increased benefit will be subject, to the normal quarterly cost of living increases, Mr. Speaker.

The proposed amendment to increase GIS and SPA benefits will provide an additional $35 per month for each household receiving GIS, or GIS and spouse's allowance payments. For a two pensioner couple receiving GIS, or an OAS-GIS pensioner with a spouse receiving SPA, the increase will be $17.50 on each monthly cheque. Single recipients will receive $35 more each month. The larger proportional increase for unattached pensioners recognizes the fact that basic costs for one person, living alone, are proportionately greater than the expenses for two persons living together.

The Department of National Health and Welfare estimates that, as a result of this bill, an additional 45,000 pensioners and spouses will become entitled to partial GIS and SPA benefits. With the rise in the maximum GIS and SPA levels, these persons, whose other income was too high previously to qualify for GIS or SPA benefits, will now become eligible for a monthly benefit of up to $35. As well, Mr. Speaker, OAS pensioners and spouses whose income level is too high to qualify for GIS or SPA, will not be affected by the increase.

It is important to note that this proposed increase will be in addition to the regular quarterly indexation made in accordance with changes in the consumer price index. In essence, the proposal represents an increase in the real value of the GIS and SPA benefits of all eligible recipients.

In total, there will be an increase of approximately $345 million in the hands of low income, elderly Canadians for the balance of the 1980-81 fiscal year, and approximately $525 million in 1981-82, the first full fiscal year for which the increase is in effect. In terms of the estimated number of elderly recipients benefiting from the increase, the figure for 1980-81 is 1,379,000, and for 1981-82, 1,443,000. The bottom line, of course, is the amount of expenditure in total that the government is allocating toward meeting the needs of senior citizens. The figures for total spending in the old age security, guaranteed income supplement and spouse's allowance programs for 1980-81 are $7.5 billion, and for 1981-82 $8.5 billion.

So, as you can see, Mr. Speaker, the government is directing a very considerable portion of its budget as part of a continuing commitment to the elderly. The $35 increase in the GIS is a much needed and significant step on the road to providing more economic security for senior citizens. In view of this I am sure members opposite will be delighted to support a measure which helps assuage the vulnerability of older people living on fixed incomes.

At this point, Mr. Speaker, I would like to address my comments to future problems relating to income security for the aged. The government has already taken steps in this direction by calling for a national pension conference in the fall, but I firmly believe that we must act with the greatest dispatch in addressing this problem. At present, Canadians over 65 constitute approximately 8.7 per cent of our population. In 20 years this figure will rise to 13 per cent, and by 2031 it is estimated it will hit 20 per cent, almost three times the figure at present. As well, the ratio of Canadians aged 65 and over to those aged 20 to 65 is 15.60 per cent—that is more than six workers per pensioner. By the year 2031 this ratio will be 33.37 per cent, or less than three workers for every pensioner. So it would appear that the tax burden of the Canada Pension Plan will more than double in the next 50 years. The time to act on this problem is now, Mr. Speaker.

I think a good starting point from which to initiate discussion is the Report of the Task Force on Retirement Income Systems. While the report does not make specific recommendations, it does outline a broad range of policy alternatives that might be considered to upgrade the system. The main findings of the report are outlined in relation to the two main objectives that underlie the current pension system. These are: first, to alleviate poverty among the elderly; and second, to assist and/or require people to defer consumption during their working years through taxes, pension contributions and savings in order to ensure that the living standards they experience during their work years are maintained adequately after retirement.

Among the findings of the study were that only 48 per cent of workers were members of employer sponsored pensions plans in 1976. Many of these will never collect an adequate pension because most plans are not portable. Rules regarding an employee's right to ownership of pension credits, known as vesting, are too stringent. Moreover, the after tax income of the elderly is only about 40 per cent of younger persons. For example, in 1975 average elderly income was $4,620 after tax; compared with $11,870 for the non-elderly.

The report also notes that more than half of Canada's retired persons collecting pensions also receive guaranteed income supplements, additional benefits paid to needy pensioners. It is stated in the report:

> This makes clear that many people who were not in financially tight circumstances during their working lives find themselves in that situation after retirement.

As well, it states that the Canadian employer sponsored pension system is behind most other western industrialized countries in terms of coverage and vesting provisions.

Another of the findings was that fewer than half of workers with employer sponsored plans have survivor benefits, leaving widows without any extra support in their later years.

Also, up to one half of middle-income earners making between $12,000 and $24,000 will see a significant drop in living standards after retirement unless the public and private pension system is reformed. In addition, it says government could provide more subsidized housing for the elderly, and raise old age pension and supplementary benefits payments based on wage increases.

The report also proposes compulsory establishment of an earnings related plan on an indexed scale, possibly through expansion of the Canada Pension Plan. The CPP, which pays a monthly pension of about $244 to contributors and their survivors, is based on earnings.

Before concluding my remarks, Mr. Speaker, I would like to dwell for a moment on the issue of health care delivery for the elderly. I believe it is an integral part of a comprehensive package of security for our senior citizens. When we are talking about financial security for senior citizens, we have to consider the total social security for senior citizens. As I have mentioned, this has been an area of vital interest to me. As the percentage of people over 65 increases, we will be faced with a vast array of problems relating to health, aging, poverty, institutionalization, isolation and depression. In my view the health care system must be sensitive to the special needs of our senior citizens and adapt to these needs rather than having the elderly adapt to the needs of the health care system.

• (2100)

None of what I have just said is new, since health care officials and the public have been aware of the problem for years. But time is catching up with us, and this awareness must be translated very soon into action.

To sum up, the same applies to the need to reform the system of retirement income. While Bill C-16 helps to redress some of the immediate financial difficulties now being experienced by segments of our elderly population, we must direct our efforts, in consultation and co-operation with the provinces, toward finding a long-term solution to this problem.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Roch La Salle (Joliette): Madam Speaker, I would like to make a few comments about what has been said on that very important legislation. My colleagues will no doubt support the policy of income supplement for a group of individuals for whom we have the highest respect and consideration. I think that we are dealing with people who deserve the attention of all hon. members not out of charity but respect for the contribution they have made to our history and life as many others have. I am not speaking on behalf of the thousands of unemployed but of those who are enjoying a well-earned retirement. Most of them are very concerned and are experiencing some problems because benefits have not kept pace with the cost of living increases, as measured by the consumer price index.

I would like, Mr. Speaker, to repeat how pleased I am to say a few words about that proposal, but I am not convinced that if there had not been elections last February such amendment would have been made so early. One thing I would like to say is that, as a government, we had made a commitment. The former minister had already shown his interest in discussing all these social issues at a conference with the provinces. Also, in reply to questions asked, he undertook to initiate a full review of the hardships of our senior citizens. And since the costing method did not seem as fair as it could be, it was clear that we were preparing a full scale study with a view to improving the situation.

I think it is desirable to increase the benefits by a reasonable percentage in view of the poverty line. It is clear, and the minister recognizes this, that even with this increase, thousands of people will still be below the poverty line. I do not think we can be proud of the fact that we cannot act fast enough to help these people out of this situation, because there are indeed thousands of senior citizens who are having problems. I remember, and I think that we must recall the period in which those $35 were promised. As I said, we will heartily

support the bill because we ourselves had already thought it was absolutely necessary to readjust these rates. But I remember that it was quite an electoral gadget during the campaign, Mr. Speaker, in my own riding as well as in others, and I remember my colleagues on the other side coming to my riding. I found it unfortunate that senior citizens were led to believe those $35 were reason enough to support the party which got elected. To me, this looked regrettable, as I said then and I repeat it tonight, that they go and tempt the people with their concerns, that they use that $35 promise: If you elect a Liberal government, you will get $35 more. Of course, we could not say that the previous government was seriously considering this, that there was an in-depth study of difficulties faced by those people, difficulties that are still and will be faced despite the increase.

We will not oppose the $35 increase, of course, but nonetheless we know that it was an electioneering gadget! I for one was shy of discussing this, as on a number of occasions I was called upon to say if we were going to give these $35. We could have said for purely political and partisan reasons that we would be offering $50. It would have been easy, but we knew the conditions, the economic situation left by the former government. The minister of finance was aware of this problem, and so was the minister of national health and welfare. We thought that savings in other areas would enable us to adjust the pensions, that are needed, without increasing the deficit. Anyway, we now have a proposal for the $35, and as I say I am very happy to state in this debate that of course, as a matter of principle I will support the measure.

I would also like to take this opportunity to ask this government to consider very seriously the case of single pensioners. Saturday evening last, I had an opportunity to meet a group of senior citizens. I was very happy to tell them that last week we discussed the $35 promised by the government and that opposition parties would not oppose it. But they stressed the difficulties faced by single pensioners, because a couple can still manage at 83 per cent or 85 per cent and somewhat more below the poverty line, they still approach that level. But the single person is definitely in difficulty with the benefits he or she is getting. And I feel that all members here, as hon. members who spoke before me recognized, there will have to be a very special effort to see what is financially possible for the single person who is faced with the responsibilities almost equal in certain cases, as far as shelter, telephone and other essential services are concerned, and indeed the single person must find shelter as well. If he or she owns a house, it does not cost any less. I think it would be interesting to study the situation of people who are alone without neglecting to re-examine the current system as well, the consumer price index. Others have already demonstrated that this system is not equitable given the cost of living increases which we have unfortunately been forced to accept in the past few years. I therefore think that the government should seriously look into the matter to better justify these increases and change this method so that the rates are a lot more realistic than those we have known so far.

The minister has also expressed her hope that the provinces will give the entire increase to the aged, especially those living in provincial institutions. I am therefore totally in agreement with the minister and I hasten to wish that the provinces will act accordingly, because I do not think they have to, but they will let these old people receive the total amount of $35 because we are always aware of their responsibilities.

Mr. Speaker, I do not want to prolong this debate and I know that others will want the floor but I repeat that there are a few considerations to take into account. I was going to forget, Mr. Speaker, that we did mention giving more flexibility to the retirement age. I am one of those who, for the past 12 years at any rate, have tended to support lowering the age of retirement and this might be a good time to let the government know this. As we know, some people at age 60 or 65 express the wish that they be able to draw their old age security. On the other hand, Mr. Speaker, we know that some people 65 years of age would like to continue working without being rushed into retirement. Well, there has been some talk about relaxing the age of retirement and I do hope that the studies the government will commission and those that are under way will look seriously at those two aspects. And it is clear that there are people 65 years of age who would like to get their old age pension in view of the many years they spent working and in view also of their health. It can always be argued that at 60 they can always get help from the provincial system called the Department of Social Affairs.

On the other hand, I think that we can seriously consider that relaxation of the old age security. But here again, I know that more than ever before the economic conditions as well as the needs and the demands have to be taken into consideration and I think the government must ponder upon the matter because we know the cost of these increases are rather substantial.

So, in view of the circumstances, it is with great pleasure that I support this legislation and I would hope that the remarks I have made, which are not new, because other members have said the same thing will be heard. I also wanted to take part in this debate in order to impress upon the government the importance of continuing to improve the lot of the people in that age group who are definitely behind in view of the increases in the cost of living.

I do not think that we have the right to let them suffer any longer. We must endeavour to find the necessary funds so they may receive pension benefits as an expression of the respect and the consideration we must have for them who worked hard for many years and who certainly deserve their retirement pension and should not live in misery and hardship. People talk about a decent level for so many other things; I think that group of people deserves a decent level of income and we

should be able, in this Parliament with all the objectivity that is called for, to give them that decent level of income to enable them not only to live well their years of retirement but also to enjoy several more. They should also feel that the generation behind them has not forgotten them and wants in this way to thank them for everything they have done.

● (2110)

[*English*]

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, my remarks will be brief, of course. I know there is a hope or a tendency to proceed with this bill in Committee of the Whole and possibly even third reading later this evening. I do not know if that is possible, but it is certainly desirable. I think all of us realize the importance of passing this bill since its benefits would be made available to senior citizens come July 1.

When I first arrived in this House many years ago, it seemed to me that the whole concept of pensions was much simpler. It was based on the concept of universality. I look with a certain amount of misgiving, perhaps, at the trend away from universality. It concerns me. I read the minister's speech last Wednesday, and it was an excellent speech. There were two things in that speech which impressed me. One, of course, is the minister's intention to bring together all the people in this country who are interested in the total concept of pensions—not simply old age pensions but also industrial pensions—with particular emphasis on the private sector, at a conference this fall or perhaps next spring.

It will be interesting if, coming out of that conference, can be some new concepts or, perhaps better still, a return to the basic concept of universality. It seems to me that it should not be too difficult to combine universality with the Income Tax Act to make certain that the number of people who benefit or obtain pensions, GIS or what have you and who do not really need this kind of income, would find it simply retrieved by the government through the income tax system.

One very persuasive member talked tonight about the need of a means test to make certain that the money goes only to the people who need it. This is a laudable concept, but I have yet to see anybody in the public service, the opposition or in my own party in caucus come up with a system or method of determining need or means properly. I have heard the argument that the need of a senior citizen living in Toronto, Vancouver or Montreal may be greater, theoretically, than that of a person living in a smaller community in New Brunswick or Nova Scotia. This is why I retreat a little from discussing the poverty line. What is the poverty line? It is certainly not uniform in this country.

I think statistics would indicate that the poverty line in one part of the country is different from that in another part of the country, so the whole matter becomes more and more complicated, more and more formulae are devised, and more and more bureaucracy is introduced, with more and more regulations. Why? Because we do not have the courage in this House of Commons to say that we are going back to universality and that really the whole pension plan needs improvement, and not just the GIS.

People have argued eloquently for the need for de-regulation, and I agree. We are an over-regulated society, but regulations usually come in because of a lack of restraint and willingness to make regulations unnecessary. When we depart in the slightest from the concept of universality, we are automatically increasing the bureaucracy and automatically increasing the number of regulations. Once someone says the money should go only to those who need it most, we are automatically setting up regulations, if only to determine who are the people who need it most. This has always eluded the better brains in the public service, so I am rather anxious to see the outcome of this particular badly needed conference to see if somehow we might want to get back to the concept of universality.

This, of course, does not ignore the fact that thousands of Canadians, because of hard work, because of a rich father or because of a relatively illness-free lifetime—for a lot of reasons—reach the age of 60, 65 or 70 when they desire to retire from the work force without any need of an old age pension. However, it seems to me that the logical way of retrieving or getting that money back is through the income tax system and not through having bureaucrats crawling over our bank books, peering under our beds and all the rest of it, to see whether we are actually in need. I am not exaggerating because this really was one of the characteristics of the depression days when we were very, very meticulous about making certain that nobody got something unless he or she could demonstrate it was deserved as a result of the sweat on his or her brow, as they used to say. It bothers me slightly that we seem to be getting away from the concept of universality.

● (2120)

The Minister of National Health and Welfare (Miss Bégin) said at the beginning of her speech:

> The federal government is not the only source of financial assistance to elderly Canadians. It is fair to say that more and more provinces are introducing supplementary programs to assist elderly Canadians. Does this bill affect such programs and what is the relationship between the provincial programs and the federal program?

It seems that there is a parallel or relationship between what the minister asked in that question and the experiences which we are now running into in the medicare plan. Medicare has been one of the greatest contributing factors to the well-being and quality of life of people in this country. If we look at the medicare plan in the United States, we will see that it does not come anywhere near the Canadian plan. There is no universality and, indeed, no plan.

We pride ourselves on the universality of medicare. But just a couple of years ago we introduced the concept of block funding, which is leading away from universality and from a common standard across this country. What has happened as a result of block funding? We need only look at the medicare plan in Ontario but, more important, as people study the results of block funding in medicare, we are finding that it perpetuates regional disparity. It is obvious that certain prov-

inces are unable to match the quality or standard of medicare found in other provinces, particularly the have-provinces. I can think of, for example, Nova Scotia's plan, with which I am familiar because I recently studied it.

Once again, unintentionally of course, we have a policy which perpetuates regional disparity. My party, the Liberal party, has been able to forge a marriage of convenience between private enterprise and government. We believe that the private enterprise system of this country is the greatest generator of capital in the history of this country or of the world. Private industry is by far the most successful generator of capital. We need capital in this country, not only to provide jobs, but to provide a quality of life. We are talking tonight about senior citizens, but tomorrow we could be talking about equality of opportunity in the educational system for young people.

The marriage of convenience between private enterprise and the government is that the government insists on having some input into the distribution of some of that capital in order to provide a standard of living for all Canadians. It is only when the two partners, as in any marriage, fight over the income that the marriage has tremendous strains put upon it. Over the last ten years we have run into that situation. Private industry is, quite properly, demanding more of the available funds, and those who believe in social reform are unwilling to give a little.

Consequently, concepts are evolved by harrassed public servants in an attempt to break the conflict. So we end up with, in the case of old age pensions, a retention of the concept of universality, supplemented by guaranteed income supplement and by provincial contributions. The end result is that the changes are made in the GIS and not in the basic income. Again, it could be retrieved through income tax, particularly in these days of computerization.

What concerns me is the trend toward a continuation of regional disparity. Sooner or later senior citizens living in a have-not province, and we never know which province that may be in five years or ten years' time, cannot expect to have the same income as senior citizens in Quebec or Ontario. And it is wrong to presume that it costs any less to live in the Atlantic provinces than it costs to live in the city of Montreal. If rent is less, then food is more expensive, transportation is more expensive, and medicare is more expensive. Really, there is no big difference. If anything, the cost of living is probably greater in the Atlantic provinces than in the central provinces.

Yet, senior citizens over time, if not already in some provinces, will obtain from the various levels of government considerably more income than somebody in the less favoured regions of the country. I suspect that this is why the minister said that she hopes that the provinces would not attempt to retrieve some of the money from the $35 under one pretext or another.

The minister also said that she was pleased to be advised that Nova Scotia and British Columbia will be passing on the full increase to all GIS recipients. However, some of the other provinces may not pass on this increase. If they do not, then the senior citizens in those provinces will have less income than those in Nova Scotia or British Columbia. Thus we begin again the whole cycle of accentuating the differences in our country rather than, at this very important time in our history, going the other way.

What must come out of our constitutional talks, whether they be next month or three years or four years from now, is a dedication to certain basic principles. Those principles could be perhaps summed up by simply saying "equal opportunity for all Canadians". Equal opportunity for all Canadians means access to the same facilities right across the country, such as education, medicare, income for senior citizens, and family allowances. When we in this House allow ourselves to depart from this basic principle, perhaps to accommodate some of the provinces or to appease other provinces, or perhaps even because of some conflict over what confederation is all about, what we have done, unintentionally I am sure, is to put in place programs which help some people and not others.

Somebody said earlier today that a certain amount of jealousy is built into the programs, that if it is not $35 for most people, then it is $17.50. It is $35 for a household, but it is only a matter of time before there will be regional differences and regional jealousy. Such a disparity will have the effect of encouraging people, once more, to leave the have-not provinces for the more favoured provinces. It is happening now in Quebec, to some degree. People there who are in their sixties are leaving because inheritance taxes and duty taxes are different. These people are planning their estates and saying, "As much as I would like to remain in this province, maybe I would like to move into Ontario. It is still part of Canada, but I want to go there because of the taxes."

Some hon. Members: Oh, oh!

Mr. Mackasey: The two new rookies could learn something if they would keep quiet.

An hon. Member: Where were you in 1978?

Mr. Mackasey: They both look like they are ready for their old age pensions.

An hon. Member: When it comes to pensions, you are doing okay.

Mr. Mackasey: It is not inconceivable, and it can be demonstrated that people who reach the age of 65, or in some cases 60, can receive considerably more in one province than in another. In this very mobile society, people then begin moving out of areas like the Atlantic provinces to Quebec, Ontario, British Columbia, the current have provinces.

In conclusion, I am certainly pleased that we are increasing the GIS. I would be much happier, however, if I saw a trend back toward universality entirely and, even more desirable, a fairly decent increase in the old age pension itself.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, this is my first opportunity to congratulate you on your appointment to the position which you now hold, and I do so. I should also like to congratulate the minister on her appointment. In her

opening remarks she demonstrated more than a real feeling for poor people in Canada, as she has done on other occasions. I commend her on her appointment.

● (2130)

At the same time, Mr. Speaker, I should like to congratulate my colleague, the hon. member for Rosedale (Mr. Crombie), on his most excellent remarks, as well as all those who have participated in this debate, particularly the hon. member who made his maiden speech tonight.

Some time ago, Mr. Speaker, Robert Browning wrote some very famous words:

Grow old along with me
The best is yet to be
The last of life, for which the first was made.

I think the concept that Robert Browning had in mind for senior citizens is a really wonderful idea, but it is an idea that has not been realized in our lifetime. Canada's senior citizens, in more difficult times than we enjoy, created for us a much better way of life than they had. They did it with a lot of self sacrifice and a lot of hard work. Today, hundreds of thousands of our fellow Canadians, our senior citizens, live below the poverty line and do not share in any measure in the prosperity that their hard work helped create.

In her opening remarks the minister indicated that 700,000 Canadians who are single, including widows, widowers and separated people, live in poverty. I have to say that their reality does not reflect Robert Browning's ideals.

I feel that the bill before us is a step in the right direction, however, and I feel that the minister's dedication to seeing that the $35 per household—$35 per couple, or $35 for a widow or widower who lives alone in a household—is passed on to that person and does not become absorbed by another program, no matter how worthy, is just about as important as the amendment she has proposed. I support her in that regard and will do everything I can to see that hope fulfilled. I believe it is a step in the right direction.

There are some features of the bill that cause us to reflect on the programs represented by the guaranteed income supplement. I think of two things: one is indexing, and other is the means test. I should like to see the formula for indexing changed to reflect the actual purchases made by senior citizens on slender incomes. At the present time indexation is tied to the consumer price index, which represents the average of increases in price of a wide variety or basket of goods, whereas senior citizens on slender incomes spend their money basically on food, heat and—if they have any left—on accommodation and a very small amount of clothing. These items rise much faster than the average. I should like to see these staples used as the basis for the guaranteed income supplement and the old age pension.

As for the means test, I should like to see the House address the question of the reality of the means test in view of the decreasing purchasing power of our dollar. These two things are somewhat related but not entirely so, because the guaranteed income supplement depends very much on the formula that is used for the means test.

In terms of indexing pensions in the private sector of our economy, we have had very little experience of this because they are not indexed to any great extent. In the public sector we have had some experience, and it is under study. I should like us to match the private and public experiences and look for a high interest vehicle so that all Canadians in the low and middle income groups could have their pensions indexed. The alternative to this is to see Canada's senior citizens get by with one less egg, one less piece of bread, one less vegetable every week—week after week. In an inflationary economy such as we have experienced throughout the seventies, this is the alternative to indexing. It is an alternative that cannot be acceptable to any thinking Canadian. We should use the best brains available to devise some kind of higher interest vehicle.

Today, trust companies borrow money at 12 per cent on guaranteed investment certificates and lend it out on mortgages at 14 per cent. With the 2 per cent difference they provide a profit to shareholders and defray the cost of administration. Maybe we should consider investing in mortgages because the interest rate paid on mortgages and the interest rate on guaranteed investment certificates is higher than the consumer price index and higher than the inflation index. I believe we should examine this possibility. I have a private member's bill before the House that deals with some of these things and I look forward to an opportunity in the near future of discussing them at greater length.

Since I first came to Parliament I have spoken on one or two occasions in favour of a $200 basic old age pension. I have not been able to convince all of my colleagues in opposition of the merit of this proposition, and I certainly have not been able to convince my colleagues in government.

Mr. Knowles: Try $300.

Mr. Howie: I believe the hon. member for Winnipeg North Centre (Mr. Knowles) is an ally in my cause. I think the time will come when we must focus on the resources of our nation with this proposition, and I hope that time will come quickly.

Another thing that is very important is to enable senior citizens to live in their own homes as long as they possibly can. When the time comes that they cannot live there any longer, they should be treated with understanding and compassion. Before the last government fell, Canada Mortgage and Housing Corporation was examining a proposition for a shelter allowance and attempting to identify areas where funds could be reallocated to support it. The concept was based upon the need of a senior citizen who spends more than 30 per cent of income on housing. In view of the rapidly rising cost of energy, particularly home heating, this is a very valid and real consideration. I would personally like to see the figure of 25 per cent used. That study should be continued and the issue addressed by this House.

When senior citizens are no longer able to continue living in their own homes, perhaps because of disability or illness, other arrangements must be made. I am very impressed with a

concept used in New Brunswick which I should like to share with the House. The federal government and the New Brunswick government in a joint agreement, using the vehicle of the New Brunswick Housing Corporation, provides excellent housing to senior citizens where they can and do live with dignity at a rent geared to income. This is an excellent concept. In my riding there is York Manor and Dixon Lodge which look after those senior citizens capable of caring for themselves and senior citizens who require nursing care. I think this program could be a model for others in Canada. I hope all hon. members will avail themselves of an opportunity to find out something about it.

There is also in my riding a 20-unit senior citizen housing development with low rent which was built by the Kinsman club. Eighteen young men met the community's greatest need. I am very proud of these institutions, and that is the reason I mention them in my brief remarks.

Another thing we should look at soon is the concept of enabling Canadian housewives to participate in the Canada Pension Plan. The concept that is so prevalent in pension plans, including the government's, of requiring a surviving spouse to live on half the pension of a deceased pensioner is a very cruel thing. In my view the basic expenses of an individual household continue after the death of a pensioner, and it is very difficult for the survivor to exist on half of the income. In fact it is very difficult for them to exist on the income when the pensioner is alive.

I should like to say a word in closing, Mr. Speaker, about our veterans. I do not think any Canadian wants our veterans treated other than with the greatest generosity, particularly our disabled veterans. Today there are hundreds of veterans waiting for the pension board to indicate the level of disability pension. This is in part because the grounds of appeal of a decision with respect to a disability pension have been broadened and the opportunity for appeal has been increased. But the structure has not been created to deal with these extra appeals, and I think it is a national disgrace to require men and women who sacrificed themselves for this country to have to wait in line to be treated with justice.

● (2140)

I would like to see us review the basics of the veterans pensions, the disability pensions and the war veterans allowance. I would like to see us implement also some of the suggestions that have been made by our colleague, the hon. member for Winnipeg North Centre, with respect to the indexation of those pensions.

I will close my remarks by indicating that it really does not matter whether my suggestions or better ones are acted upon, but I think that this House should follow some of the suggestions made by some of my colleagues from all parties and so address ourselves with greater dignity to the problems of our senior citizens.

Mr. Neil Young (Beaches): Mr. Speaker, I am speaking today on Bill C-16, an act to amend the Old Age Security Act, because of the concerns I have for the inadequacies contained in the structure of pensions and retirement income programs in Canada today.

It is proposed in this bill to raise the guaranteed income supplement benefit by $35.00 per month for single recipients and $17.50 per month to each married recipient. Even though we in the NDP have long advocated and encouraged any pension increase that will improve the lot of seniors, over half of whom are living under the poverty level, the measures proposed by the government in this bill fall far short of what could be done. In fact the bill falls so far short of what could and should be done that most if not all pensioners see the government's proposal as a continuation of its attitude of perceiving pensions as some sort of charity rather than a social program that should allow our seniors to live a decent and dignified life.

A social right to decency and dignity in retirement should be the thrust of any income security legislation for our seniors, and that has always been the aim of those who sit on this side of the House. Even though there are those on the government's side who attempt to persuade Canadians otherwise, history shows that it was only under pressure from the CCF that the government finally introduced a pension system in Canada. In fact our pension system has always had a CCF-NDP stamp on it. The CCF was responsible for its introduction. People like J. S. Woodsworth and my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), led the fight for the replacement of means tested pensions with old age security legislation. The NDP did the same thing in the early 1960s in relation to the Canada Pension Plan.

It was an NDP government in British Columbia which led the way and which was the first province to supplement the incomes of the elderly poor by way of legislation. The only time the OAS was increased in real terms in the last 15 years was in 1973 as a result of NDP pressure during the 1972-1974 minority parliament.

This government proposal, while being of some assistance to our elderly, does nothing toward bringing much needed fundamental reform to the pension system. Many people used to think that after a lifetime of productive contribution to society they would be rewarded by a worry free retirement. Not any more, Mr. Speaker. Now to be old and to be poor are synonymous in the minds of many people, and for very good reason. More than six out of every ten Canadians over the age of 65 have annual incomes under $5,000. For women, the realities are even worse. Three out of every four women over the age of 65 are poor.

This government has failed to recognize that for many of our senior citizens it is difficult for them to do the things that we do not even have to think about doing. For many it is a choice between buying a coffee or taking a bus downtown. For many it is a choice between buying a daily newspaper or being able to buy a pork chop dinner once a week. If you were one of the 1.2 million women over the age of 65, these would be the kinds of decisions you would be making every day. Three out of four of these women live alone, single, widowed or divorced,

and these women are trying to make ends meet on $389.00 per month.

A single 65-year-old person in Ontario with no other source of income receives three monthly benefits: old age security of $186.80, a guaranteed income supplement of $153.35, and GAINS under the Ontario guaranteed income supplement of $49.00. These figures add up to the grand total of $389.15 per month. If one compares this figure to the poverty line cut-off for a single person living in a city the size of Toronto, that person needs a minimum of $470.00 a month.

I want to refer to something that the Minister of National Health and Welfare (Miss Bégin) said in her remarks the other day, which I found to be quite astounding. At page 1281 of *Hansard* for May 21, 1980, the minister was reported as saying:

> The officials of my department estimate that there are approximately 700,000 single, widowed and divorced GIS recipients of the supplement to the pension who are living in poverty. Fully 60 per cent of them are women.

In another part of her remarks, the minister said this:

> On an annual basis, the amount guaranteed by our old age security programs, that is the basic pension plus the old age supplement combined, represents roughly 80 per cent of the amount Statistics Canada defines as the poverty line. There is no doubt that an income which is slightly lower than 80 per cent of the poverty line is not acceptable in a country as rich as ours and is certainly not enough to live on decently.

Yet the same minister, and I have heard members of the Liberal party speaking here tonight express many of the same sentiments, can stand up and support a $35.00 increase in the supplement and still stand there with a straight face. It is laughable to the people of Canada, and it is certainly laughable to the people on this side of the House.

I want to tell members of the government where the money would go if they were one of the 32,000 single women over the age of 65, living in metro Toronto today. For argument's sake, let us take a month in the life of a Toronto pensioner who is a widow.

First of all, you would need a roof over your head. It is quite likely you would still be living in your own home. The old neighbourhood means a lot to you and many of your friends still live there. Even though your mortgage has been paid off, you find that it still costs you about $250.00 a month for shelter. This money goes toward property and education taxes, housing insurance, repairs and maintenance, heat, water, hydro and telephone. In talking to some of your other widowed friends, you find that they are not much better off living in a one-bedroom apartment. Unsubsidized one-bedroom apartments cost about $280.00 in metro Toronto, but the vacancy rate is less than 1 per cent, so those apartments are very hard to find.

The subsidized housing is cheaper, but you have been told there are about 3,300 people on the waiting list. And those who live in rooming houses can expect to find their fridge is down the hall, can expect to share a bathroom with four other people and wash the dishes in the bathroom sink. The stove in your room will probably offer two options: on or off. So, whether you rent or own your own home, your housing costs are likely to absorb a good 60 per cent of your pension income.

• (2150)

In addition, you find that there is a cumulative shortfall. As things wear out, they are difficult to replace and they can rarely be replaced with new items. Clothes and sheets, dishes and glasses have to come from bazaars and rummage sales and second-hand stores.

Food for even a moderate eater will run close to $80 a month. This includes an occasional meal at a restaurant; it is good for your mental health, encourages you to be sociable, and you need the occasional change of scenery. Every time you go to the grocery store you are reminded of how packaging is done with families in mind. Economies of scale are great for large families who can afford and use up five and ten-pound bags of flour, sugar and cereal. But single people pay dearly for things in small packages. Anyhow, how could you possibly carry anything so heavy over a distance of several blocks?

This raises another problem. Once the food has been paid for, how do you get it home? Bundle buggies are great in the summer, but are useless in the winter. If you shop in corner convenience stores, you pay about 10 per cent more for every item of food you buy. So you shop in chain stores, taking the bus there and back, especially in the winter when sidewalks are icy.

Your special senior citizens bus tickets, plus an occasional cab to take you places off regular bus routes, cost an average of $26 a month. This figure does not, of course, include transportation costs for occasional bus or train trips to visit out of town grandchildren or other relatives who live far away. If you are one of those privileged seniors who own their own cars, you would pay about twice the $26 transportation cost for pedestrian seniors. That $50 a month would cover gas on 4,000 kilometres per year, servicing and repairs, maintenance and insurance. Not included in this estimate are parking costs. Most senior citizens do not own cars, so for the purposes of this scenario we will use the $26 figure.

So far we have spent $250 on housing, $80 on food, and $26 on transportation. That comes to $356 for basic requirements of subsistence. I hear my Conservative friend on the far right making interjections. I am not surprised. I would not expect him to understand the problems of senior citizens.

Mr. Baker (Nepean-Carleton): He did not say a word.

Mr. Young: He has been yelling all night.

Mr. Baker (Nepean-Carleton): He has not.

Mr. Young: Out of our $389 pension income, there is only $33 left for the rest of the month to spend on such luxuries as clothes, dental care, glasses, hearing aids, gifts, a movie, entertaining friends, long distance phone calls, cable TV, or an occasional bingo game.

To solve this problem, the Liberals, those big spenders, are throwing an extra $35 a month into the pot. Who are they

kidding? For the elderly woman on old age pension, it is not a question of enjoying old age, it is simply a matter of gritting your teeth and enduring it.

I am fully aware that in the Speech from the Throne the government promised another study on the needs of senior citizens. If there is anything Canada that our seniors do not need, it is another study on pensions. We all know how people in retirement have to live. What is needed is action from the government to alleviate poverty among our elderly and it surely will not be accomplished by yet another report or by the measures proposed in this bill.

We need a new deal for pensioners rather than the inadequate measures contained in this bill. The government should have brought in amendments to increase the old age security payments and the guaranteed income supplement so that older people with no other source of income would always be able to live at a standard above the poverty level.

During the election campaign, Ed Broadbent introduced a new deal for pensioners.

Some hon. Members: Ed who?

Mr. Young: If hon. members would listen, they would learn a few things.

During the last 15 years, he pointed out, OAS has failed to keep pace with growth in the incomes of other Canadians. Liberals and Tory governments have allowed the relative value of the OAS to fall. From the time of its introduction in 1952 to 1964, the OAS was equivalent to approximately 17 per cent of the earnings of the average worker. Since 1964 its value has been allowed to fall so that the OAS is now equivalent to only 13.5 per cent of average earnings. The only time the OAS was increased in real terms in the last 15 years was in 1973, the result of NDP pressure during a minority Parliament.

Our proposal recommended an immediate $40 per month increase to the OAS. This would make a pension again equivalent to 17 per cent of the average earnings. In addition, the NDP favours increasing the OAS annually in accordance with the growth in average earnings as measured by Statistics Canada. Legislated into the Old Age Security Act, this would eliminate the possibility of pensions being raised at the whim of the government.

In addition to the increase in the OAS, we also endorsed a shelter grant for pensioners. This grant was designed to concentrate funds in the hands of those senior citizens who need protection against the rising costs of shelter. Under the program, pensioners who pay rent would be eligible for grants equal to one third of rent paid. The maximum grant would be $600, or $50 a month. Those who own their own homes, and who on average are better off than those who rent, would be eligible for grants equal to 20 per cent of their property taxes. Here, the maximum grant would be $120 per year, or $10 per month. The shelter grant program would have its biggest impact on pensioners with under $200 per month of private income who rent and live alone. Women make up three quarters of this group.

These are the minimum actions that could and should have been undertaken by this government on behalf of the senior citizens in our country, and it is shameful that this government has not done so.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, may I take this opportunity to congratulate you on your position in the House. I would like to express my appreciation to the minister tonight for coming here in time to hear me declare that it is ten o'clock. I will start off at the next session with your permission, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I wonder if the parliamentary secretary to the Leader of the Government could tell us the business of the House for tomorrow.

Mr. Collenette: Yes, Mr. Speaker. We shall continue with this bill until its completion tomorrow. I understand there is a disposition to go into Committee of the Whole tomorrow and perhaps to third reading. If we do get through the bill, we will move to the borrowing authority bill. I should say before I sit down, since the hon. member mentioned it, that the minister's car broke down on the way to the House this evening. That is why she was not able to be here until just a few minutes ago.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

VETERANS AFFAIRS—VETERANS SUFFERING FROM CANCER BECAUSE OF EXPOSURE TO ATOMIC BOMB TESTING

Mr. Neil Young (Beaches): Mr. Speaker, I rise in respect to my question of May 15, 1980, which I put to the Minister of Veterans Affairs (Mr. MacDonald). It had to do with Canadian servicemen who had been assigned to duty at atomic bomb test sites in the United States during the 1950s and subsequently had been reported as now suffering from cancer, or at least as many as had been detected.

I asked the Minister of Veterans Affairs what actions he was taking to determine the state of health of all the servicemen so assigned, whether a program to monitor their health had been approved, and was the government willing to recognize its responsibility to these Canadian servicemen. In reply, the minister said:

• (2200)

There has been some detection and detection of other people supposedly involved should be made in the near future.

In answer to my supplementary question with respect to the government's liability in the matter, the minister responded as vaguely as he did to my first question. The minister said:

When the analyses and diagnoses are completed by the people within our department who are qualified, such as doctors, that determination will be made.

In the first place, I suggest the government has known for some time that this serious situation existed. The minister has been in a position to make a much clearer and much more definitive reply than he did to my question. He was certainly more knowledgeable later the same day—he was reported by the *Toronto Star* of the following day, May 16, 1980, as stating that at least three Canadian servicemen had contracted cancer as a consequence of that particular duty assignment. What concerns me is that the vagueness of the minister's response appears to be associated with the lack of concern shown by government officials since the matter was brought to light.

The first knowledge I had of the problem was a report dated May 30, 1977, by Jack Anderson in the San Luis *Telegram-Tribune* when he reported:

Forty unsuspecting Canadian soldiers may be in mortal danger from a 20-year-old nuclear test in the Nevada Desert.

The report went on to say:

We are told that the Canadian volunteers were members of the Seventh Platoon, 2nd Battalion, Queen's Own Rifles.

Mr. Anderson also reported that in response to a telephone call to military authorities in Ottawa he was told that the Canadians had no official comment. Well, Mr. Speaker, I think it is high time the government began to give some forthright answers to these servicemen. Since there is no known antidote for nuclear radiation, the least the government owes to the soldiers concerned is detection and treatment of the diseases which the tests caused. Moreover, there should be no question of the government accepting liability or giving assurances to these men and their families that they will not be forgotten.

I am extremely anxious that this not be allowed to happen. However, I did not draw much comfort from the minister's replies or from the experiences of the *Toronto Star* reporter Helen Bullock the results of whose excellent research into this matter were printed on May 3, 1980. I want to quote a few passages from that report. This reporter said:

I asked the Canadian government who they (the soldiers) were because I needed to know the age of the people in this group. It's an important factor in estimating the expected incidence of cancer.

They wouldn't release the names but they did give the birth dates so I couldn't argue.

Again, from the same article:

For example, a spokesman for the Canadian Armed Forces said 40 men of the Queen's Own Rifles took part in shot Smokey in 1957; they were, he said, the only Canadians actively engaged in the tests.

However, a U.S. researcher reports that 85 Canadians were at that shot although many of these were probably official observers not in the troop trenches.

And at the Directorate of History in the Department of National Defence there is a list of 157 Canadian army personnel "and there could have been others at other tests but we don't have the file."

Although it appeared at first glance that only the Queen's Own Rifles were involved, the directorate lists observers from, among other units, the Black Watch and the Royal Canadian Horse Artillery.

Having established that some Canadians were in the nuclear testing site, the next question is how close were they to the bomb?

If the minister had been properly responsive not only to me, as a member of this House, but to the concern of the Canadian Armed Forces, I would have expected a much more informative reply. If he did not feel he could make it at that time, I hope he will be prepared to do so now.

• (2205)

Mr. John Campbell (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, as hon. members know, the Canadian Pension Commission is the agency designated under the Pension Act to deal with all matters pertaining to the adjudication of disability pension claims. It has the responsibility of collecting material relevant to a particular claim where such material is in government records. It is in this context that the commission recently addressed itself to the Department of National Defence with regard to reports which were received that members of the forces had been exposed to radiation some years ago. Arrangements have been made for the National Defence Department to provide information concerning amounts of exposure received by any member of the forces, or former members, asking for it. The information will, of course, also be available to the Canadian Pension Commission to assist it in its adjudication of pension claims which have been or may be received.

Some former members of the forces have called the Pension Commission indicating that they may have received radiation exposure but have no disability which seems to be related, and they asked for information on what to do. They have been told to confirm the degree of exposure with the Department of National Defence and check with their own doctors as to whether any related disability exists. If a disability exists and an application is made for pension, the commission will consider the claim. If no disability exists, the personal physician will have a record of the exposure in the event of some future problem turning up.

The Canadian Pension Commission will examine any claim received for pension based on disability caused by radiation exposure and will obtain the best advice available with respect to the type and amount of exposure in relation to the specific claim for pension. Each decision will be made on an individual basis.

The Canadian Pension Commission deals with individual applications for pension for disability or death arising out of military service. It is anxious to ensure that any former member of the forces receives any disability pension to which he is entitled. If any former member of the forces who has participated in activities involving nuclear radiation believes

that his health has been affected by such exposure, he should get in touch with the nearest district office of the Canadian Pension Commission, or with his nearest district pensions advocate. The department has always treated its veterans fairly and adequately, and will continue to do so in the future.

FINANCE—CAPITAL GAINS TAX—EFFECT ON INVESTMENT—REFERENCE TO COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on May 13 last I addressed a question to the President of the Treasury Board (Mr. Johnston) with regard to any input he might have had in a study which I understood was being conducted by the Minister of Finance (Mr. MacEachen) concerning taxes on capital gains. The minister gave a rather strange response. He said that if there was a study he would look forward to receiving the results. In view of the big "if" in his response, I addressed a supplementary question to the Minister of Finance to find out whether in fact he was conducting a study regarding capital gains taxes, particularly because of the views expressed by the President of the Treasury Board before he became minister in this government. In his book "Fiscalamity" the minister clearly castigated the value of capital gains taxes.

The *Toronto Star* of October 18, 1979, reported the hon. member for Saint-Henri-Westmount (Mr. Johnston) as having said:

I am convinced that the introduction of the tax on capital gains has stifled investment in many sectors and frozen assets in others.

The capital gains tax was introduced and came into effect on January 1, 1971. It has proven to be a tax, as set out in the minister's own book, which stifles investment in that it prevents or delays the transfer of property from those who can make good use of property because of the impact of the tax. Indeed, with respect to small business, the tax can almost be expropriatory. In fact a small business may have no value as a base on which capital gains is taxed, so that the entire sale of the business can be taxable. Of course the tax is levied on 50 per cent of the return, a tax rate that can be 30 per cent or 35 per cent of the total value of the business.

● (2210)

The tax creates enormous problems with pressure groups coming to this government and saying, "You are taking my farm away from me, you are taking my property away from me". Consequently, we have had representations from all sources asking that this tax be removed or indexed or that something be done with respect to it.

Second, a great deal of the tax collected by capital gains is really not a tax on a capital gain but a tax on inflation. Indeed inflation is caused, as is set out in the book entitled "Fiscalamity" by the President of the Treasury Board, by governments printing money and in fact creating a value for money that is less and less, so that one needs more money to purchase the same goods. It is not really a capital gain. Indeed it is a depreciation of the value of the currency. So, we have a tax that to a great number of people is treated and deemed to be a very unfair tax, an expropriatory tax. Consequently it is sometimes a tax which is difficult to collect. It is a bureaucratic tax requiring all sorts of appraisal studies. Indeed in estates we wind up with situations that are most peculiar.

For example, under the present act if a person dies with a private home valued at $200,000, they pay no tax. If they happen to have invested their capital in growth stocks or equities in the country, they may wind up with a great deal of that $200,000 estate being taxed away. On the other hand, if they happen to be farmers and have $200,000 farms and have passed them on to their children, then that tax is deferred. So, deferral and deferral and deferral in effect is no taxation at all. It really depends on how one holds one's assets in this country whether one pays tax or not. Therefore a very unfair situation is developing.

It has been my suggestion to the ministry in the past that perhaps the ministry might look at a form of new estate tax based on a flat rate of tax, say, 10 per cent or 15 per cent of the amount in the gross of an estate over $25,000. A tax of this nature would be a flat rate tax. It would apply to all people, all estates. Presumably it would apply only to estates passing to survivors. As a solicitor I know that people are not unhappy about paying a tax on something they receive as a result of an estate settlement.

It would strike me that this tax is not producing a revenue for Canada. The returns for 1977 indicate that this tax produced about $250 million. Of course that was the tax divided among the provinces and the federal government. Of course I have no figures on the tax produced last year nor in 1978, but there is no question about it, that this tax is not producing, as it is presently written, any enormous revenue to Canada. In my view it is a tax that should be abolished. It could be replaced by another form of taxation that would be far more equitable. I ask the minister to bear that in mind when he brings this matter to the committee, as he has promised to do, so that we can have a look at this tax to make sure that Canadians are more equitably taxed.

● (2215)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member opposite has referred to the impact of the taxation of capital gains on investment decisions and on the desirability of referring a study which is being conducted—and the minister has admitted it is being conducted—on this topic to the Standing Committee on Finance, Trade and Economic Affairs.

In the past few years there has been considerable discussion regarding the taxation of capital gains, and many proposals for change have been put forward. The individuals and organizations making these proposals are well aware of the effects of the taxation of capital gains on their own affairs and on investment decisions generally, but they are also concerned and aware about the impact that this tax has on the economy generally. The current study that is being conducted in the Department of Finance is designed to clarify exactly what this impact is.

However, I should note that the taxation of capital gains is now a fundamental part of the Canadian tax system. The remainder of our present tax system depends on the continued taxation of capital gains. We would need a quite different system if the taxation of gains significantly was reduced or if it was altered. The issues involved can be traced to the changes which occurred in taxation in general around and subsequent to the introduction of the taxation of capital gains, and these changes included the way in which corporations and shareholders are taxed in general.

The federal government vacated the estate and gift tax field, and most of the provinces have also stopped taxing estates and successions. The deemed realization of capital gains upon death is thus the only tax collected upon inheritance. As a result Canadian taxation of transfers of wealth among generations is among the lowest in all industrialized countries.

Capital gains are distributed very unevenly among income classes. In 1978, while the top seven tenths of 1 per cent of all tax filers—in other words, those people with incomes of greater than $50,000—accounted for 5.1 per cent of the total income reported on tax returns, these same people received 38.8 per cent of all net taxable capital gains. The treatment of capital gains thus has great significance for the distribution of taxes and also for the distribution of income. It should also be noted that the introduction of the capital gains tax was accompanied by a reduction in the top marginal tax rates of the income tax.

The Minister of Finance (Mr. MacEachen) has indicated that such a change to remove capital gains taxes would reduce federal revenues by some $700 million this year, and the provinces would suffer an associated revenue loss of some $300 million, substantially more than referred to by the hon. member opposite.

All of the factors I have just mentioned, plus others, are being assessed in the current study, and the minister has indicated clearly that it is his intention to release this study. This will provide an opportunity for full and informed discussion. A further option would be to refer the study to the Standing Committee on Finance, Trade and Economic Affairs, and the minister has indicated that he will take a decision on this particular question at the time the study is released.

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

Motion agreed to and the House adjourned at 10.18 p.m.

APPENDIX

ADDRESS

of

HIS EXCELLENCY JOSE LOPEZ PORTILLO PRESIDENT OF MEXICO

to Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on Monday, May 26, 1980

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Jean Marchand, Speaker of the Senate, and the Honourable Jeanne Sauvé, Speaker of the House of Commons.

[*Translation*]

Hon. Jeanne Sauvé (Speaker of the House of Commons): Hon. members of the Senate and House of Commons are happy to welcome His Excellency Jose Lopez Portillo, President of Mexico.

[*English*]

Excellency, we are deeply moved by the honour you do us of addressing this joint meeting of members of the Senate and of the House of Commons.

[*Translation*]

I call upon the right hon. the Prime Minister of Canada to introduce our distinguished guest.

Right Hon. P. E. Trudeau (Prime Minister): Your Excellency, Mr. President of the Republic of Mexico, Mr. President of the Chamber of Deputies of Mexico, Mr. President of the Senate of Mexico.

Madam Speaker of the House of Commons, distinguished members of the Parliament of Canada.

On behalf of the people of Canada and of their parliamentary representatives, I have the honour to extend a heartfelt welcome to you, Mr. President, to the Heads of the Mexican Chamber of Deputies and Senate, and to the Ministers and other high representatives of your Government who accompany you on this visit.

Since our meeting in Mexico City in January, 1976, Mr. President, I have been greatly impressed by your country's

ANEXO

DISCURSO PRONUNCIADO

por el

EXCELENTISÍMO SEÑOR PRESIDENTE DE MÉXICO

JOSÉ LÓPEZ PORTILLO

ante ambas Cámaras del Parlamento

en la sala de la

CÁMARA DE LOS COMUNES, en OTTAWA

el lunes 26 de mayo de 1980

El Excelentísimo Sr. Pierre Elliott Trudeau, Primer Ministro de Canadá, dio la bienvenida al Excelentísimo Señor Presidente de México; le mostraron su agradecimiento S.E. el Sr. Jean Marchand, Presidente del Senado, y S.E. la Sra. Jeanne Sauvé, Presidenta de la Cámara de los Comunes.

[*Español*]

S.E. Jeanne Sauvé (Presidenta de la Cámara de los Comunes): Los honorables miembros del Senado y de la Cámara de los Comunes se complacen en dar la bienvenida al Excelentísimo Señor Presidente de México José López Portillo.

[*Traducción*]

Excelentísimo Señor Presidente: su alocución ante esta reunión conjunta de miembros del Senado y de la Cámara de los Comunes constituye para nosotros un gran honor.

[*Español*]

Y ahora ruego al Excelentísimo Señor Primer Ministro de Canadá que tenga a bien presentarnos a nuestro distinguido huésped.

S.E. P. E. Trudeau (Primer Ministro de Canadá): Excelentísimo Señor Presidente de México, Señor Presidente de la Cámara de Diputados de México, Señor Presidente del Senado de México:

Señora Presidenta de la Cámara de los Comunes, distinguidos miembros del Parlamento de Canadá:

En nombre del pueblo canadiense y de sus representantes en el Parlamento, tengo el honor de darle la más cordial bienvenida, señor Presidente, así como a los Presidentes de la Cámara de Diputados y del Senado de México, a los Ministros y otros altos funcionarios de su Comitiva.

Desde nuestro encuentro en la ciudad de México en enero de 1976, señor Presidente, me ha impresionado profundamente el

growing stature in the global community, of nations, a growth which Mexico's many Canadian friends had both desired and predicted.

Canada welcomes your country's determination to use its stature to contribute effectively to the enhancement of global stability, which has been seriously disturbed in recent months.

In response to such dangerous threats to world order as the invasion of Afghanistan by the Soviet Union, and the violation of the immunity of diplomatic persons and premises by Iran, Canada believes it is essential for other countries to give firm, practical and united expression to their opposition to such serious transgressions of international law.

[*English*]

Mexico and Canada agree that the goal of global peace with justice must be approached by other paths as well and especially by responding more effectively to the needs of the world's developing countries. I therefore look forward, Mr. President, to discussing with you the critical issue of greater co-operation between the groups of nations which have come to be known as the north and the south.

We acknowledge Mexico's earned status as one of the leaders of the Third World and as a country which has helped to focus attention on the urgency of international development. The wide-ranging proposals which you yourself, Mr. President, put forward at the United Nations General Assembly last autumn were a particularly valuable contribution.

The problems of the least developed countries are especially compelling. There can be no real solution until the world community finds the will and the way to replace sterile rhetorical confrontation with a united and practical response to the poverty, hunger and stunted economies which oppress so many of the world's peoples. We look forward to working with the government of Mexico to help find the will and the way.

Mr. President, we discussed this morning with our ministers ways in which our two countries might enrich our bilateral relations. It is true, of course, that our relations do go back hundreds of years. You may know that one of Canada's most illustrious explorers, Samuel de Champlain, visited Mexico City in 1599 when your capital was a thriving community of some 100,000 Spanish and aboriginal souls. He was so taken with the beauty of your country, sir, that he did not come to our country until a few years later as a sort of second choice.

Happily, in recent years there has been more frequent travel between our countries. It has resulted from a growing awareness of how we can meet many of each other's needs and a growing consciousness of how many things we have in common, not the least of which is a friendly neighbour with whom we share a border.

prestigio cada vez mayor de su país en el seno de la comunidad mundial; un aumento de prestigio que los numerosos amigos canadienses de México habían ya previsto y deseado.

Canadá aplaude la determinación de vuestro país de utilizar toda su influencia para contribuir eficazmente a la mejora de la estabilidad mundial que ha sufrido graves trastornos en el curso de los últimos meses.

Ante amenazas tan graves de orden mundial como la invasion de Afganistán por la Unión Soviética, así como la violación de la inmunidad del personal y de las sedes diplomáticas por el Irán, Canadá opina que es esencial que todos los países expresen en conjunto, de manera concreta e inequívoca, su oposición a violaciones tan graves del derecho internacional.

[*Traducción*]

México y Canadá están de acuerdo en que otros medios pueden también conducir al logro de una paz justa en el mundo, especialmente una mayor sensibilidad respecto a las necesidades de los paises en desarrollo. A este respecto, señor Presidente, me alegra aprovechar esta ocasión para discutir con usted la cuestión fundamental de una mayor cooperación entre los grupos de naciones que se conocen actualmente con el nombre de Norte y Sur.

Reconocemos el merecido prestigio de México entre las naciones dirigentes del Tercer Mundo, por el papel que ha desempeñado para llamar la atención mundial sobre la urgencia de una política de desarrollo internacional. Las propuestas de largo alcance que usted mismo, señor Presidente, ha presentado a la Asamblea General de las Naciones Unidas en otoño pasado, han constituido una contribución particularmente valiosa.

Los problemas de los países menos desarrollados se imponen todavía más vivamente a nuestro espíritu. No se podra alcanzar una verdadera solución sino cuando la comunidad mundial haya encontrado la voluntad y el modo de reemplazar los estériles enfrentamientos retóricos con una respuesta concertada y concreta a la pobreza, al hambre y al marasmo económico que agobian a tantas personas en el mundo. Nos complace aunar nuestros esfuerzos a los del Gobierno de México para ayudar al mundo a encontrar esa voluntad y ese camino.

Señor Presidente, hemos discutido esta mañana con nuestros ministros sobre las formas de enriquecer las relaciones bilaterales entre nuestros dos países. Por supuesto, es verdad que nuestras relaciones datan de centenares de años atrás. Sabrá usted que uno de los exploradores más célebres de Canadá, Samuel de Champlain, había visitado la ciudad de México en 1599 cuando su capital era una comunidad próspera de unos 100.000 habitantes españoles e indígenas. Le impresionó tanto la belleza de su país que no se decidió a venir al nuestro sino años más tarde, como una suerte de segunda elección.

Felizmente los viajes entre nuestros dos países se han intensificado en el curso de los últimos años, a medida que hemos cobrado conciencia de nuestra capacidad de satisfacer recíprocamente lo que cada uno de nosotros necesitaba y una conciencia cada vez más clara de que teníamos muchas cosas en

We also share similar aspirations for industrial and economic development. We have long enjoyed a mutually beneficial trading relationship, and Canada has been an important source of financing for Mexican development. I note that while Canadian imports from Mexico are still dominated by agricultural products, the pattern of trade has broadened to the point where Canada now purchases a more diverse range of products from Mexico than from any other Latin American country.

World conditions have now brought us to a moment of full potential for closer economic relations in the future. Canada looks to Mexico as a secure supply of oil for our eastern provinces. Mexico looks to Canada as a supplier of the industrial equipment and technology which you need in order to fulfil your goal of economic diversification.

There can be no doubt that your visit has produced considerable progress toward agreement which will help satisfy the needs of both countries.

[*Translation*]

Mexico and Canada share a rich and varied cultural heritage which took root far back in our history, at the time when the original people of North America were its only inhabitants. The later contributions of European civilization have resulted in a lively cultural sharing, of which both countries are justly proud.

Twelve years ago, Mexico and Canada began their formal cultural relations with an exchange of notes. There followed in 1973 an agreement on annual exchange visits by young specialists and technicians. More recently, in 1976, I had the great pleasure and honour of signing in Mexico City, with your predecessor, a cultural agreement covering a wide range of activities in the fields of information, fine arts, theatre and telecommunications.

Mr. President, your visit is the occasion of a new meeting between two countries, both of whom are eager to contribute to peace and international justice. I am confident that, together, Mexico and Canada can make a greater contribution to our hemisphere and to the world. For all these reasons, Sir, we welcome you.

común, especialmente el amistoso vecino con el que compartimos la frontera.

Compartimos, asimismo, aspiraciones similares relativas a la expansión económica e industrial. Mantenemos desde hace tiempo relaciones comerciales mutuamente benéficas, y Canadá ha sido una fuente importante de financiacion para el desarrollo mexicano. Deseo subrayar el hecho de que, si bien los productos agrícolas son todavía preponderantes en las importaciones canadienses de México, los intercambios comerciales se han ampliado al punto de que Canadá compra actualmente una gama más variada de productos de México que de cualquier otro país latinoamericano.

Las condiciones internacionales nos han llevado en la actualidad a un momento decisivo que podría implicar un robustecimiento de nuestras relaciones económicas en el futuro. Canadá ve en México una fuente fiable de abastecimiento petrolífero para sus provincias del este. A su vez, México ve en Canadá un abastecedor de equipo industrial y de tecnología indispensables para el logro de su objectivo de diversificación económica.

No existe la menor duda de que vuestra visita nos ha permitido realizar grandes progresos hacia acuerdos que ayudarán a satisfacer las necesidades de nuestros dos países.

[*Español*]

México y Canadá comparten una herencia cultural rica y variada cuyas fuentes se remontan a una época muy lejana, al período de los primeros habitantes del continente norteamericano. Los aportes posteriores de la civilización europea han producido esta vigorosa convivencia de culturas de la que cada uno de nuestros dos países está legítimamente orgulloso.

México y Canadá comenzaron sus relaciones culturales hace 12 años, mediante un intercambio de notas. A este primer paso siguió, en 1973, un acuerdo sobre un programa de intercambio anual de jóvenes especialistas y técnicos. Y más recientemente, en 1976, tuve la gran satisfacción y el honor de presenciar en México con vuestro predecesor la firma de un acuerdo cultural que cubría una amplia gama de actividades en los campos de la información, artes plásticas, teatro y telecomunicaciones.

Señor Presidente: vuestra visita brinda una nueva ocasión de reunirse a dos países deseosos de contribuir a la paz y justicia internacionales. Estoy persuadido de que, juntos, México y Canadá podrán realizar una mayor contribución a nuestro hemisferio y al mundo entero. Por todas estas razones, señor Presidente, le damos la bienvenida!

ADDRESS BY MR. JOSE LOPEZ PORTILLO, PRESIDENT OF MEXICO, TO THE PARLIAMENT OF CANADA

26th of May, 1980

Your Excellency the Prime Minister of Canada
Honourable Members of Parliament
Ladies and Gentlemen:

I consider it an honour and an opportunity to be welcomed in this stately chamber that serves as a meeting place for the representatives of the noble Canadian people. The expressions of cordiality that you have shown me have augmented and reaffirmed both the official and private tokens of esteem I have received during my sojourn in this generous country. I wish, consequently, to express to you my own gratitude together with that of the Mexican people.

I am returning from a trip that has taken me away from this continent, and, as occurs in such cases, I am returning filled with reflections on geography and time. My first impression is that Canada, the same as Mexico, belongs to the New World not only geographically, but also spiritually. Despite the great distances existing on the American Continent, Canada is close to us and is inevitably linked to our own destiny.

Return to this continent leads us to the immediate and irrefutable reality that we are members of the great family that shares this continent, despite the fact that the most notable characteristic of this family and this territory is its diversity.

From this perspective, the problem of our relations should be posed as a necessity and not as something merely desirable; that is, as a geopolitical destiny more than an enumeration of affinities and specific coincidences.

Canada has gained new prestige, but it has not lost its former prestige. Despite its formidable industrial and urban growth, it continues to bring to mind an image of a nation of pioneers, an image it deserves in view of the concerted efforts expanded by this tenacious and hardworking people in every sphere.

The Mexican people are also persistent. They have been able to surmount rigorous historical tribulations and thereby strengthen their national identity. Their great historical battles are the culmination of a process of sovereignty and the initiation of new processes of sovereignty. The struggle for our independence was not won on a single occasion. It is a daily struggle that cannot be abandoned.

Canada and Mexico know the value and the price of independence, and they are open to any kind of exchange that does not imply dependence and subordination. We respect the rights of other nations and affirm here that the recognition of these rights is the basis of international order.

Consequently, although we, the three nations that constitute North America, should set down systematically revisable rules that will ensure improved co-existence and co-operation, we

DISCURSO PRONUNCIADO POR EL C. JOSE LOPEZ PORTILLO, ESTADOS UNIDOS MEXICANOS, ANTE EL PARLAMENTO DE CANADA

26 de mayo de 1980

Excelentísimo señor Primer Ministro
de Canadá,
Honorables Miembros del Parlamento,
Señores y Señoras:

Considero un honor y una oportunidad ser recibido en este augusto recinto que congrega a la representación del noble pueblo canadiense. Las propias muestras de cordialidad que ustedes me han dispensado prolongan y consagran las otras, oficiales y privadas, que he recibido durante mi estancia en este generoso país. Deseo, por ello, expresarles mi gratitud y la del pueblo mexicano.

Regreso de un viaje que me ha llevado fuera de este continente y regreso, como ocurre en estos casos, lleno de reflexiones sobre la geografía y el tiempo. Mi primera impresión es la de que Canadá, al igual que México, pertenece no sólo geográficamente al Nuevo Mundo sino también espiritualmente. A pesar de las dilatadas distancias de nuestra América, Canadá nos resulta próximo e inevitablemente vinculado a nuestro propio destino.

El retorno a este continente nos abre paso hacia la realidad—inmediata e irrefutable—de que pertenecemos a la gran familia que comparte el espacio americano, por más que el signo de esta familia y de este espacio sea el de la diversidad.

En esta perspectiva, el problema de nuestras relaciones debe plantearse como un hecho necesario y no, simplemente, como un hecho deseable. Destino geopolítico más que recuento de afinidades y coincidencias particulares.

Canadá ha ganado nuevos prestigios pero no ha perdido los antiguos. Sigue suscitando, a pesar de su formidable crecimiento industrial y urbano, la imágen de una nación de pioneros. Fama que merece por el concertado esfuerzo que, en todos los ámbitos, desarrolla este pueblo tenaz y laborioso.

También el pueblo mexicano es persistente. Ha sabido sobreponerse a duras pruebas históricas y, en todas ellas, ha fortalecido su identidad nacional. Sus grandes batallas históricas son culminación de un proceso de soberanía. La lucha por nuestra independencia no se ganó en una ocasión. Es una batalla cotidiana que no ha de cesar.

Canadá y México conocen el valor y el precio de la independencia y se mantienen abiertos a cualquier tipo de intercambios que no impliquen dependencia y subordinación. Respetamos los derechos de las otras naciones y afirmamos que el reconocimiento de estos derechos es el fundamento del orden internacional.

Por ello, si bien las tres naciones que formamos América del Norte debemos fijar reglas, sistemáticamente revisables, que permitan nuestra mejor convivencia y cooperación, no debemos

must not forget that the differences in the kind and extent of our development make it impossible under present-day circumstances to form a regional economic association of either a general nature or with specific reference to energy. Let us promote our bilateral relations, but let us not seek to establish artificial entities based on a single factor—the geographical factor, as important as it may be—but rather let us promote relations in which other equally important elements for the economic integration of several countries are presently lacking.

The focal point of the European Economic Community is support for the relatively homogeneous development of the nations composing it. This is not the case in North America. As far as Mexico is concerned, we believe that the establishment of such an entity would inevitably impede our industrial development and perhaps oblige us to extract and export raw materials indefinitely for the use of the most developed societies. Even in the specific field of energy the exploitation of hydrocarbons has very different connotations in accordance with varying degrees of development. For us it will serve above all to create new sources of employment and to stimulate industry and agriculture. For an affluent society the high levels of consumption of hydrocarbons, which some deem to be excessive, serve to sustain a very high standard of living to which we cannot aspire at the present time. In such circumstances, I consider it difficult for us to arrive at a common strategy for the exploitation, future and use of energy unless they are included within a system of total responsibility on the part of mankind. This is what we have proposed to the United Nations.

The recent crisis convulsing the world is precisely the result of a lack of respect for the independence of weak nations. Local conflicts and the permanent threat of global war are the result of a power mechanism bestirred by the craving for territories and markets.

For this reason, Mexico's efforts in favour of general and complete disarmament may be considered among mankind's noblest causes. The Treaty of Tlatelolco, for which Mexico is depositary, is a decisive step toward preserving a vast geographical area from nuclear destruction. This, however, is but barely a beginning, and it will only have full validity when it transcends the regional sphere and becomes a model for other similar treaties.

Universal acceptance of the rule of law—both domestically and in relations among nations—is the irreplaceable foundation of the social order. All societies, whether simple, complex, conservative or revolutionary, need law to preserve their unity and their coherence.

In any circumstances, but particularly in a time of crisis, it is absolutely essential for the international community to reaffirm the validity of its legal institutions. Defending the United Nations means defending the standards that govern peaceful coexistence among States and the supremacy of law over force.

We recognize, of course, that the United Nations' political and administrative machinery is not always effective in solving the world's problems. The scope and pace of its procedures are

olvidar que las diferencias en el tipo y grado de nuestro desarrollo hacen imposible —en las actuales circunstancias— integrar una asociación económica regional, sea general, sea en el ramo de los energéticos. Impulsemos nuestras relaciones bilaterales, más no pretendamos crear entidades artificiales basadas en un solo factor —el geográfico, por importante que sea— pero en las que estén ausentes otros elementos igualmente esenciales para la integración económica de varios países.

La Comunidad Económica Europea tiene como punto central de apoyo el desarrollo relativamente homogéneo de las naciones que la integran. Eso no ocurre en Norte América. En lo que a México toca, estimamos que la creación de una entidad semejante frenaría inevitablemente nuestro desarrollo industrial y nos condenaría, acaso, a extraer y exportar a perpetuidad materias primas para su aprovechamiento por sociedades más avazadas. Aún en el terreno puramente energético, la explotación de los hidrocarburos tiene un sentido muy distinto según el grado de desarrollo. Para nosotros, servirá ante todo para crear nuevas fuentes de empleo y estimular la industria y la agricultura. Para una sociedad afluente, el elevado consumo de hidrocarburos, que algunos califican de excesivo, sirve para sustentar un muy alto nivel de vida as que nosotros no podemos aspirar actualmente. En esas circunstancias, creo difícil que pudiéramos llegar a una estrategia comun sobre la explotación, destino y uso de los energéticos, salvo que se inscribiera en un sistema de responsabilidad total de la humanidad. Así lo hemos propuesto a las Naciones Unidas.

La reciente crisis que sacude al mundo es producto, precisamente, de la falta de respeto a la independencia de las naciones débiles. Los conflictos locales y el amago permanente de una guerra global son resultado de un mecanismo de poder que agita la ambición de territorios y de mercados.

Por eso, los esfuerzos de México en favor del desarme general y completo se inscriben entre las mejores causas de la humanidad. El Tratado de Tlatelolco, del que somos depositarios, es un paso decisivo para preservar a un vasto espacio geográfico de la destrucción nuclear. Pero se trata, apenas, de un principio. Cobrará sentido pleno cuando pueda trascender su ambito regional y se convierta en modelo de otros tratados semejantes.

La aceptación universal del derecho —en el plano interno y externo— es el fundamento insustituible del orden social. Todas las sociedades —sean simples, complejas, consevadoras o revolucionarias— requieren del derecho para preservar su unidad y su coherencia.

En cualquier circunstancia pero particularmente en época de crisis, es indispensable que la comunidad internacional reafirme el valor de sus instituciones jurídicas. La defensa de las Naciones Unidas significa la defensa de las normas que rigen la convivencia entre Estados y la supervivencia del derecho frente a la fuerza.

Reconocemos, por supuesto, que los mecanismos políticos y administrativos de Naciones Unidas no siempre resultan eficaces para resolver los problemas del mundo. La dimensión y el

frequently not commensurate with the scope and pace required to solve such problems.

The political problems that have arisen in recent months call for the good offices of countries not directly involved in the conflicts. The concerted action of countries that have demonstrated their devotion to independence and for that reason enjoy international prestige may have, in certain cases, a profound impact on the solution of international conflicts.

Peace, however, is not merely the result of anti-war activities. The pacifism of the between-war period is a thing of the past. Now we know beyond the shadow of a doubt that peace is not possible without equitable development.

In order to achieve such development, we are committed to the establishment of a new international order, which is the only viable alternative to our decaying economic institutions. Inflation, unemployment, monetary chaos or the progressive indebtedness of the underdeveloped countries presage even worse evils, such as recession and famine.

The new international order in its political and economic aspects concerns—or should concern—all the nations of the world. To present it as a plan that derives exclusively from the developing countries is a grave and deliberate departure from the truth, unless, of course, we were to invent a happy world in which only consumers existed and in which neither raw materials, work nor the financing of trade were necessary. The critical elements that endanger peace are the developing countries that have to contend with social confrontations, economic crises and cravings for hegemony or spheres of influence. Everything here is related to everything else.

As part of this new international order, we have proposed the establishment of a world energy plan to the United Nations General Assembly in order to rationalize the production, distribution and consumption of energy. This plan anticipates using the resources derived from present energy sources to develop alternative energy sources.

This plan must include all the members of the international community. Therefore, each country—rich or poor, producer or consumer—must assume proportional responsibility to guarantee its implementation. At the present time the energy problem can only be resolved by the concerted action of the international community—not by the silent manipulation of dominant transnational interests.

The relations of mutual respect and friendship that exist between Canada and Mexico guarantee a proper framework for broadening our political, economic and cultural relations, and we have the will and the resources to bring this about.

In the economic sphere, we are especially interested in the possibility of making joint investments in certain specific projects.

We attach particular significance to political collaboration between our nations, since we are convinced that a common approach to certain international matters can help to strengthen the cause of peace and security both on this and other continents.

ritmo de sus procedimientos no corresponden, con frecuencia, a la dimension y al ritmo que exigen los problemas.

El conjunto de problemas politicos que han surgido en los últimos meses requiere de la intermediacion de países no comprometidos directamente en los conflictos. La acción concertada de países que han demostrado su vocación de independencia y que por ello gozan de prestigio internacional puede tener, en ciertos casos, un impacto serio en la solución de conflictos internacionales.

La paz, sin embargo, no es el mero resultado de la actividad antibélica. Pasó la etapa del pacifismo del periodo de entreguerras. Ahora sabemos—con certidumbre irrefutable—que no es posible la paz sin un desarrollo equitativo.

Para lograrlo, estamos comprometidos en la creación de un nuevo orden internacional que se presenta como la unica opción viable ante la decadencia de nuestras instituciones económicas. La inflación, el desempleo, el caos monetario o el endeudamiento progresivo de los países subdesarrollados anuncian males aún más graves como la recesión y la hambruna.

El nuevo orden internacional—en sus aspectos políticos y económicos—interesa o debiera interesar a todas las naciones del mundo. Es una aberración malintencionada presentarío como un proyecto exclusivo de los países en desarrollo. A menos, por supuesto, que inventáramos un mundo feliz en que no hubiera sino consumidores y no fueran necesarias las materias primas, el trabajo o el financiamiento del comercio. Precisamente los puntos criticos que ponen en peligro la paz son países en vias de desarrollo, con enfrentamientos sociales, angustias económicas y ambiciones de hegemonia o de zona de influencia. Todo está en todo.

Como parte de este nuevo orden internacional, hemos propuesto a la Asamblea General de las Naciones Unidas establecer un plan mundial de energia para racionalizar la producción, la distribución y el consumo de los energéticos. Este plan preve la captacion de recursos para desarrollar fuentes alternativas de energía.

Este proyecto debe incluir a todos los miembros de la comunidad internacional y, por lo tanto, se requiere que cada país pobre o rico, productor o consumidor, asuma una responsabilidad proporcional en su realización. En la actualidad el problema energético sólo puede ser resuelto por la acción concertada de la comunidad internacional y no por las manipulaciones silenciosas de los grandes intereses transnacionales.

Las relaciones de mutuo respeto y simpatía que existen entre Canadá y México garantizan un marco adecuado para el incremento de nuestras relaciones políticas, económicas y óculturales. Tenemos voluntad y recursos para hacerlo.

En el plano económico, nos interesa especialmente la posibilidad de realizar inversiones conjuntas en algunos proyectos específicos.

Acordamos particular relevancia a la colaboración política entre nuestras naciones pues estamos seguros que el común enfoque de algunos asuntos internacionales puede contribuir a reforzar la causa de la paz y de la seguridad dento y fuera de este continente.

Your Excellency,
Honourable Members of Parliament:

We are embarking upon the next-to-last decade of the twentieth century under the shadow of grave international threats of war. The economic disorder of recent years is compounded by a generalized and acute crisis of confidence in all realms. This difficult state of affairs has even undermined the basic principles of peaceful coexistence among men and nations.

We have no desire to dissemble the wounds and scars of the world we live in. Rather, our aim is to transform it. We have little time left in which to do this, but we cannot renounce our commitment to forge the roads along which the new forces of life will march.

I pledge my faith in the future and in the fraternal relations between Canada and Mexico.

[*Translation*]

Hon. Jean Marchand (President of the Senate): Mr. President Portillo, Mr. Prime Minister of Canada, Madam Speaker, honourable colleagues of the Senate and of the House of Commons, ladies and gentlemen, in 1973, we had the great honour to welcome in this House your predecessor, Mr. President, who came to convey to us the solemn testimony of the friendship uniting Mexico and Canada. Your presence among us today vouches for the constancy of this faithful friendship. Before acceding to your high functions at the head of the State, you had foreshadowed in your writings and teachings what has been your government's program for three years now. You summarized it in two short and strong phrases which call for the reinforcement of the structures of freedom and justice and the enrichment of the values which are fundamental to national coexistence. We are also of the opinion that in the life of every nation, there must exist a dynamic relationship between the institutions with which a country endows itself and the values and aspirations they represent.

Mr. President, your visit takes place at a milestone of our history where that balance must be achieved anew. Please rest assured that Canadians will be up to that perpetual challenge as they have always been.

[*English*]

Mr. President, you called our attention to the urgency of searching also for the right equation in the international economic arena. We will ponder your views and the remarks by the Prime Minister about the growing and necessary interdependence between the economies of the world. Canadians have always been concerned about basic human needs. They are becoming more aware that the problem is complex, that there is no easy solution and that a wide range of interlocking issues will have to be tackled with patience and determination by all parties concerned.

Excelentísimo Señor Primer Ministro,
Honorables Miembros del Parlamento:

Iniciamos el penúltimo decenio del siglo XX bajo graves amenazas de guerra internacionales. Al desorden económico de los últimos años se agrega una generalizada y aguda crisis de confianza en todos los órdenes. Esta difícil coyuntura ha vulnerado, incluso, principios esenciales de la convivencia entre hombres y naciones.

No deseamos disimular las heridas y cicatrices del mundo en que vivimos sino transformarlo. Disponemos de poco tiempo para hacerlo, pero no podemos renunciar al compromiso de abrir los caminos por donde transitarán las nuevas fuerzas de la vida.

Hago votos por el futuro y por la fraternidad de Canadá y de México.

[*Español*]

S.E. Jean Marchand (Presidente del Senado): Señor Presidente López Portillo, señor Primer Ministro de Canadá, Señora Presidenta de la Cámara de los Comunes, honorables colegas del Senado y de la Cámara de los Comunes, Señoras y Señores: En 1973 tuvimos el gran honor de acoger en este recinto al predecesor del Señor Presidente que nos aportaba el testimonio solemne de la amistad méxico-canadiense. Vuestra presencia entre nosotros hoy es una prueba de la constancia de esta fiel amistad. Antes de alcanzar las funciones más altas del Estado ha anunciado usted en sus escritos y en su enseñanza lo que ha sido desde hace tres años su programa de gobierno. Este programa lo ha resumido usted políticamente en dos fórmulas resueltas y concisas: robustecer las estructuras de la libertad y de la justicia y enriquecer los valores esenciales de la coexistencia nacional. Nosotros también pensamos que en la vida de cada pueblo debe existir una relación dinámica entre las instituciones con que un país se ha dotado y los valores y aspiraciones que encarnan.

Su visita, señor Presidente, tiene lugar en un momento decisivo de nuestra historia donde se debe alcanzar nuevamente dicho equilibrio. Tenga usted la seguridad que los canadienses sabrán mostrarse, como siempre, a la altura de ese reto constante.

[*Tradución*]

Señor Presidente: usted nos señaló asimismo que urgía tratar de establecer cierto equilibrio en el panorama económico internacional. Vamos a reflexionar sobre sus observaciones y las que hiciera el Primer Ministro (Sr. Trudeau) relativas a la creciente y necesaria interdependencia entre las diversas economías del mundo. Los canadienses siempre se han preocupado de las necesidades fundamentales de la humanidad. Cada día se dan más cuenta de la complejidad del problema, que la solución no es fácil y que todas las partes interesadas deben analizar paciente y resueltamente toda una gama de cuestiones estrechamente entrelazadas.

We thank you, Sir, for your visit and we hope that your talks with Canadian ministers will lead to a further strengthening of ties between our two countries to their mutual benefit.

[*Translation*]

Your Excellency, please accept our most heart-felt gratitude and offer our best wishes to your magnificient country.

Madam Speaker: Mr. President, I have the honour of expressing, on behalf of each and everyone of my colleagues, the joy that we feel at hosting you here in the House of Commons of Canada.

[*English*]

We have listened to your speech with great interest because it reflects your feelings and those of your countrymen toward our people and our country.

You emphasized that Mexico had to bring about unity in order to establish a homogeneous community whose mission is to create the type of climate most likely to favour the prosperity and welfare of your citizens while respecting their differences.

[*Translation*]

That reminds us that we too, like yourself and your people, must abolish the gaps that would prevent Canadians from feeling united within this family which bears a great deal of resemblance to yours and within the larger family which occupies the entire North American continent.

Your words bring to light the need for this constant cooperation between peoples who defend the same values and who are trying to promote a heritage with common roots in civilization.

Mexico is a fascinating country which has a special appeal to people the world over. Its spectacular geography, composed of bodies of water, forests, plains and mountains, projects an image which encompasses the multiple facets of a country whose vibrations echo the life of the old and the new world. Your culture, your civilization, your architecture, your monuments, your folklore, your music and your literature form a blend of new wealth and old treasures. Your country still retains the secret of the language and thought of its first inhabitants, a language that has not yet been decyphered but which, through its multitude of signs and its variety of images, expresses the thought, the psychology, the joy, the pains and the hopes of a people who preceeded us by far in America. It is never without deep emotion that we walk your land in the hopes of discovering old paths which will bring us back to the dawn of human life and wisdom. The meeting of the civilizations of old and of the new one which followed it have produced the jewel that is Mexico. It is with pleasure that I say to you how much we admire your political, cultural and social edifice which is greatly envied by all those who give priority to the fundamental values of society.

Le agradecemos su visita, señor Presidente, y esperamos que las conversaciones que sostenga con los ministros canadienses contribuyan a estrechar los vínculos que nos unen, para beneficio mutuo de nuestros países.

[*Español*]

Excelentísimo señor Presidente: acepte nuestro más profundo agradecimiento y nuestros mejores votos por su magnífico país.

Señora Presidenta de la Cámara de los Comunes: Señor Presidente, tengo el honor de expresarle, en nombre de todos y cada uno de mis colegas, todo nuestro júbilo al tenerle entre nosotros en esta Cámara de los Comunes de Canadá.

[*Traduccion*]

Hemos escuchado su discurso con gran interés, ya que traduce tanto sus sentimientos como los de sus compatriotas respecto a nuestro país y a nuestro pueblo.

Ha subrayado usted que México debía promover la unidad con miras a crear una sociedad homogénea que establezca un clima más favorable a la prosperidad y bienestar de sus compatriotas respetando al mismo tiempo sus diferencias.

[*Español*]

Esas palabras nos recuerdan que nosotros también, al igual que usted y su pueblo, debemos abolir las distancias que impiden a los canadienses sentirse unidos en esta familia tan parecida a la suya y en la todavía más numerosa de la América del Norte.

Sus palabras sacan a luz la necesidad de esta constante colaboración entre pueblos que defienden los mismos valores y que tratan de promover el bien común cuyos principios básicos pertenecen a las mismas fuentes de civilización.

México es un país tascinante que ejerce sobre todos los ciudadanos del mundo un atractivo especial. Su asombrosa configuración geográfica, sus masas de agua, bosques, mesetas y montañas proyectan una imagen que reúne las múltiples facetas de un país de vibraciones profundas cuyo eco repercute en la vida del Viejo y Nuevo Mundo. Su cultura, su civilización, su arquitectura, sus monumentos, su folklore, su música y su literatura son una síntesis de nuevas riquezas y de antiguos tesoros. Vuestro país conserva todavia el secreto de la lengua y del pensamiento de sus primeros habitantes, lengua misteriosa que no se ha podido todavía descifrar pero que, a través de sus múltiples signos y diversas imágenes, expresan el pensamiento, la psicología, alegría, sufrimientos y esperanzas de un pueblo mucho más antiguo que el nuestro en América y nunca hemos pisado vuestro suelo sin que nos embargara una profunda emoción, con la esperanza de descubrir viejos senderos que nos hagan remontar hasta la aurora de la vida y sabiduría humanas. El encuentro de las civilizaciones del pasado y de la moderna que las ha seguido creó la joya que es México. Me complace expresarle cuánto admiramos este edificio político, cultural y social que es la envidia de todos los que dan prioridad a los valores fundamentales de la sociedad.

[*English*]

Mr. President, you have done us the honour of bringing with you a large delegation of most distinguished politicians and citizens. I would like to extend my most sincere greetings to these distinguished visitors and I wish to assure them not only of our interest, but also of our affection.

In closing, please allow me to express once again, on behalf of all members of the House of Commons, on my behalf, our heartfelt thanks. There are links between Canada and Mexico that we would like to reinforce and extend through more frequent meetings between the representatives of our respective Parliaments. I would ask you, Your Excellency, to bring this message to your countrymen as well as our warmest wishes for their welfare and progress.

[*Translation*]

Let me now say that this House stands adjourned.

[*Traduccion*]

Señor Presidente: nos ha honrado usted al venir acompañado de una importante Comitiva de personalidades políticas y ciudadanos destacados. Quisiera extender mis más sinceros saludos a estos distinguidos visitantes y asegurarles que les testimoniamos no solo nuestro interés sino también nuestro afecto.

Para terminar, permítame expresarle una vez más, en nombre de todos los miembros de la Cámara de los Comunes y en el mío proprio, nuestro más profundo reconocimiento. Desearíamos desarrollar y robustecer los vínculos que existen entre Canadá y México organizando reuniones más frecuentes entre los representantes de nuestros respectivos parlamentos. Excelentísimo señor Presidente: le ruego tenda a bien transmitir este mensage a sus compatriotas, junto con nuestros votos más sinceros de progreso y prosperidad.

[*Español*]

Y ahora, con vuestro permiso, declaro levantada la Sesión.

HOUSE OF COMMONS

Tuesday, May 27, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN HUMAN RIGHTS COMMISSION

PUBLIC SERVICE—DISCRIMINATION AGAINST LOW-PAID EMPLOYEES—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the decision of the Canadian Human Rights Commission that the federal government is discriminating against 3,000 low-paid, mainly female, public servants; the commission has decided that employees in the female-dominated food services, laundry services and related services are paid substantially less than the male-dominated stores and warehouse occupations; in view of the commission's ruling that the jobs are considered equal in value; and since the President of the Treasury Board (Mr. Johnston) ignores this shocking disparity, despite repeated representations for equal pay, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That as a matter of good faith, the President of the Treasury Board move immediately to rectify this gross inequity in the public service, the result of which is to further discriminate against women, and that his action include compensation for one year's back wages.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

EXTENSION OF PIPELINE TO MARITIMES—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that the Liberal leader of the opposition in New Brunswick has raised a motion in the provincial legislature that the federal government proceed with the extension of the pipeline immediately through the maritimes, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the Minister of Energy, Mines and Resources explain to his Liberal colleague in New Brunswick why the federal government does not feel it is appropriate to extend the pipeline at this time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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OLYMPIC GAMES

GOVERNMENT URGED TO RECONSIDER DECISION ON 1980 MOSCOW GAMES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that about all of the European countries, plus other members of the western alliance, intend to participate in the 1980 Olympics, and since the Prime Minister (Mr. Trudeau) has stated repeatedly that Canada should boycott the Olympics only if such a boycott would be effective, I move, seconded by the hon. member for Regina West (Mr. Benjamin):

That this House urge the government to reconsider its earlier decision of forbidding our athletes from attending the games; that instead, Canada assume leadership among the 103 United Nations' members who condemned the invasion of Afghanistan in the implementation of international economic and other sanctions to emphasize to the U.S.S.R. our abhorrence of such aggressive acts.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

REQUEST NATIVE PEOPLE IN YUKON AND NORTHWEST TERRITORIES PARTICIPATE IN UPCOMING DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that constitutional matters are the focus of government attention at this time, and that constitutional revisions are crucial to the political evolution of the two northern territories, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

S.O. 43

That this House recognize that representatives of the native people in the Yukon and Northwest Territories be invited to participate soon in discussions on revisions to the Canadian constitution.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

THE CANADIAN ECONOMY

EFFECT ON ATLANTIC PROVINCES OF CHANGE IN OIL PRICE COMPENSATION PROGRAM—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of some urgency.

Whereas the Atlantic provinces, following years of neglect by successive Liberal governments, are totally dependent on imported oil to the tune of 300,000 barrels a day, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Minister of Finance be directed to study and report to the House the impact on the economies of the Atlantic provinces that would result from a reduction or an increase in oil price compensation payments, and disclose his preference to the House.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

COST OF SYNTHETIC CRUDE OIL PRODUCTION—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. Recent developments clearly indicate that Canada will be facing petroleum shortages in the very near future. Whereas development of the Alsands project in Fort McMurray, Alberta, and the Imperial Oil in situ plant in Cold Lake, Alberta, are being delayed for lack of an oil pricing agreement, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House direct the Minister of Energy, Mines and Resources to table the studies done to determine the economic cost to Canada of a one-year delay in bringing to the Canadian market in excess of 200,000 barrels of synthetic crude oil per day.

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

Some hon. Members: Agreed.

Some hon. Members: No.

SHIPPING

CARRIAGE OF CANADIAN EXPORTS BY CANADIAN VESSELS AND CREWS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise, as well, under Standing Order 43, with regard to the urgency to Canadians of moving our own resources in our own ships.

In view of the arrangements to export western Canadian coal to Japan, and recognizing the need for a stimulus, soon, to the Canadian shipbuilding industry, and as an expression of support of the UNCTAD arrangements, I move:

That in any further deliberations on the transportation of coal to Japan, the Prime Minister recognize the Canadian desire to transport at least 20 per cent of cargo in vessels built in Canada and crewed by Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

HIGH INTEREST RATES—PROGRAM TO ASSIST HOME OWNERS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Minister of Finance (Mr. MacEachen) has in this House and elsewhere promised a program of assistance to Canadian home owners who are required to renegotiate commercial mortgage interest rates in 1980 and who cannot afford the substantially higher levels of interest. Accordingly, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House direct the Minister of Finance to prepare and present forthwith the promised plan or program of assistance for home owners who require relief from high commercial mortgage interest rates.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

MEASURES TO ASSIST FARMERS SUFFERING EFFECTS OF DROUGHT—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that a draft report prepared for the federal cabinet suggests

there is little the federal government can do about the serious effects of the drought situation on the prairies, but that the government must look as if it is doing something by publicity stunts, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House asserts that the federal government must not just look to be, but must truly be working on behalf of livestock and grain producers to alleviate the effects of the drought situation in western Canada, such as massive programs to obtain supplies of livestock feed, feed freight assistance, water well-drilling, water pipelines, extending farm credit, a minimum six-month moratorium on interest charges on FCC and FIL loans, and delay, without penalty, payments on such loans. And, further, that the minister personally take charge of all programs and replace the minister in charge of the Canadian Wheat Board and the Minister of Employment and Immigration in dealing with prairie governments and farmers on this serious matter.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

TRIBUTE TO HON. LINCOLN M. ALEXANDER

Mr. Bill Yurko (Edmonton East): Madam Speaker, I wish that I had two opportunities to put a motion today, as I would like to recognize the service to this House of the hon. member for Hamilton West (Mr. Alexander), who is spending his last day in this august assembly.

[*Editor's Note: Mr. Alexander received a standing ovation.*]

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● (1415)

LOTTERIES

CONDEMNATION OF GAMBLING PRACTICES THROUGH LOTTERIES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, whereas the previous government extricated the federal government from the lottery business, and whereas national government lotteries are a direct form of taxation mainly on poor Canadians and are, therefore, better left to non-profit organizations and local governments, and whereas the lottery business is a prime example of federal government interference and infiltration of provincial areas of jurisdiction, which has caused increasing federal-provincial constitutional stress and strain, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House condemn any effort by the federal government to re-establish national gambling practices through lotteries.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

CANADA-MEXICO OIL AGREEMENT—NUMBER OF BARRELS TO BE IMPORTED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question would be for the Minister of Energy, Mines and Resources, but in his absence I will direct it to the Prime Minister.

Mr. Crosbie: He is looking for help. Answer it yourself, Pierre.

Mr. Clark: The Prime Minister will recall that on May 4, 1979, an agreement was initialled between Canada and Mexico, one sentence of which reads as follows:

The government of Mexico undertakes to supply and the Government of Canada assures the purchase of up to 100,000 barrels per day of crude oil during the validity of the present agreement and in conformity with the program referred to in this article.

In 1979 it was 100,000 barrels per day, but today an agreement was signed by which Mexico will be sending Canada only 50,000 barrels per day. Will the Prime Minister tell the House what happened to that lost 50,000 barrels of oil per day?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the right hon. Leader of the Opposition compares the two agreements, he is right: he will see that the figure 100,000 no longer appears. In that respect, we feel the agreement reached today is not as satisfactory as the one that had been initialled last year.

An hon. Member: Just how?

Mr. Trudeau: On the other hand, there is an improvement in the terms of the other half of the agreement, that concerning 50,000 barrels per day. The right hon. Leader of the Opposition will recall that last year the undertaking of the Mexicans was to go up to 50,000 barrels of oil per day. Now the agreement is specific as not being "up to" but, in fact, 50,000 barrels per day.

He will also see that the agreement last year was to reach that figure of up to 50,000 some time in the 12 months following 1980, whereas the terms of this agreement make that delivery of 50,000 barrels effective this December; therefore, a year in advance.

Mr. Clark: A supplementary question, Madam Speaker. I would call the attention of the Prime Minister to the language

of the agreement initialled last year. It does not suggest, "up to 50,000 barrels per day"; it says, "shall reach 50,000 barrels per day". That clearly indicates that the 50,000 barrels would be achieved by the agreement that was initialled and apparently abandoned.

The Prime Minister has said that somehow or other Canada benefits from having lost 50,000 barrels per day of imported oil from Mexico. Will he tell the House how we benefit from having lost, in the course of a year, 50,000 barrels per day from Mexico?

Mr. Trudeau: Madam Speaker, I am afraid the Leader of the Opposition does not understand correctly the agreement initialled last year. It was a "best efforts" by the Mexicans toward 100,000; it was not a certain undertaking of reaching 100,000. That part of the agreement, I admit to the Leader of the Opposition, does not appear this year. There is still a "best efforts" clause, but not linked with specific figures. I can only repeat to the House what I have just said: we have not that 100,000 figure, but we have gained 12 months in the deliverance of the 50,000 figure.

• (1420)

Mr. Crosbie: You have lost 50,000 barrels.

Mr. Clark: Madam Speaker, the "best efforts" in the agreement that was initialled last year referred to the 100,000 barrels per day. It was in relation to that that the phrase "best efforts" occurred. There was a clear commitment of up to 50,000 barrels a day: "shall reach". There was a clear commitment that the exports "shall reach" 50,000 barrels a day in the agreement that was initialled in May of last year. What has happened is that this government, in the course of twelve months, has lost 50,000 barrels of oil a day for Canada from Mexico.

An hon. Member: Shame.

Mr. Crosbie: Fumbling and bumbling.

Mr. Clark: The figures last year in the initialled agreement were spelled out in the agreement. There are no figures spelled out in the agreement that was signed today.

Miss MacDonald: Right on.

Mr. Nielsen: You blew it.

Mr. Clark: The figures are included in a joint statement by the President and the Prime Minister, but they are not part of a formal agreement signed on behalf of the two governments.

Can the Prime Minister give us a clear assurance that the 50,000 barrels a day—down 50,000 from what Canadians had a right to expect—is a firm figure and will not change, as the 100,000 barrels a day of last May changed in a year?

Mr. Nielsen: You blew it.

Mr. Trudeau: The reason it does not appear in the agreement, Madam Speaker, is that it appears in a specific contract of understanding between Pemex, the Mexican petroleum company, and Petro-Canada. If the hon. Leader of the Opposition cares to refer to that, there is a specific agreement between the exporter and the importer that the figure of 50,000 will be reached, I repeat, this December rather than December, 1981.

All I can say, Madam Speaker, is that indeed it would have been preferable if the additional figure of 100,000 "best efforts" had appeared. It does not. The Mexicans did change their minds on that.

I would hope that the agreement that our government negotiated last May, and which was initialled by the two parties, had been followed up rapidly by the then Government of Canada and that the visit of the President of Mexico had indeed taken place within months of that signature, which was our intention had we remained the government. The party opposite then formed the government and postponed that visit for a full year, which gave the Mexicans time to change their minds.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the Prime Minister knows full well that that is not the case. But the fact remains that he has admitted that there is now a loss of 50,000 barrels a day—between May of last year and May of this year. He admits that.

Will he tell us what went wrong? Will he tell us what actions by the Government of Canada caused the Mexicans to back away from their "best efforts" commitment toward 100,000 barrels a day and to settle for only 50,000 barrels a day? What accounts for the lost 50,000 barrels a day?

Some hon. Members: Oh, oh!

Mr. Trudeau: I just said, Madam Speaker, that the opposition party formed the government of that period and failed to follow up on the advantage we had negotiated last May.

Some hon. Members: Hear, hear!

An hon. Member: Rubbish.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have a supplementary question for the Prime Minister, in the absence of the Minister of Energy, Mines and Resources.

The Prime Minister will note that as of February 8, 1980—just a few days before the election—the Mexican ambassador to Canada stated that oil deliveries of 100,000 barrels of oil would be part of an energy and trade agreement to be signed when the President visited Canada in May of this year. That was February 8 of this year.

Some hon. Members: Hear, hear!

Mr. Nielsen: Explain that one.

Miss MacDonald: My question to the Prime Minister is this: The government has lost 50,000 barrels of oil from Mexico. Imports from Venezuela will be down from 240,000 barrels in the first quarter to 150,000 barrels in the last quarter of this year. As well as the loss from overseas, from offshore sources, the Minister of Energy is delaying negotiations with the provinces which would have the result of bringing on domestic supplies of oil.

● (1425)

Having had a few days to think about it, can the Prime Minister now state why the Minister of Energy went to Paris and stated that we would be oil self-sufficient by the end of this decade? Can he tell us on what projections the Minister of Energy based those comments?

Mr. Trudeau: Madam Speaker, I would first say that I disagree with several elements of the premise to the question; but in so far as the minister justifying his statement in Paris, I would tell the hon. lady that the minister is expected in the House and he will deal with that question himself.

Miss MacDonald: A supplementary question. Perhaps if the Prime Minister cannot answer this and give me an assurance, I will be permitted to put it later to the Minister of Energy, Mines and Resources. What I would like to have, and what the House would be very interested in having, is that the minister table the projections on which he made that statement.

Mr. Trudeau: Madam Speaker, I am sure the minister will be pleased to consider the interests of the hon. lady.

* * *

FEDERAL-PROVINCIAL CONFERENCES

PURPOSE OF FIRST MINISTERS' MEETING—DATE THEREOF

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is to the Prime Minister. Is he now in a position to confirm that there will be a meeting of first ministers of the provinces with himself on June 9; and if that is the case, can he tell us a bit more about that meeting? Can he tell us whether this is a meeting merely to set an agenda, or a meeting to get involved in the constitutional talks themselves?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I am not in the position to add to what was stated clearly in the House yesterday by the Deputy Prime Minister, because we have not yet as of this moment had a response from the tenth province. It has not indicated up to now an understanding that it will be present on that date.

Mr. Nystrom: Has the federal government committed itself to a timetable for constitutional change, so that we can have a series of meetings until the constitution is changed and fully realized, and will those meetings take place in public? Perhaps the Prime Minister can also tell us whether he has had a chance to make a decision on a suggestion made in this House last week, that the leaders of the opposition parties, and perhaps some members of the opposition, be part of the federal delegation on the constitutional talks.

Mr. Trudeau: On the latter part of the question, Madam Speaker, why does the hon. member ask me to say more than I said last week, that indeed I would hope the federal parliament would reach a consensus on the position it would want to present for a new constitution. That is still my hope. However, if that hope is not fulfilled, I am not certain that it would be easy to have members of other parties or leaders of other parties form part of the delegation assisting the Government of Canada.

Mr. Nystrom: Madam Speaker, I am interested in having the Prime Minister tell us whether he has made a decision on whether there will be involvement of opposition members and leaders of opposition parties in the delegation. I would also like to ask him a question about resources, which are so important to western premiers.

The committee of ministers studying the constitution was making a lot of progress on this matter before the 1979 election. Has the Prime Minister made a decision that resources will be placed on a short list, along with items such as language rights and culture to be discussed at the constitutional conferences?

[*Translation*]

Mr. Trudeau: Madam Speaker, I must again answer that we have not yet heard from Quebec whether that provincial government will attend the conference and, if so, what will be the standards or the framework of the discussion it wants to lead. We have that information from other provinces but still not from Quebec. As long as we do not have complete information or we have not learned whether the Quebec government intends to co-operate, I would rather not state what will be the position of the federal government.

* * *

[*English*]

ENERGY

RELIANCE ON FOREIGN SOURCES OF OIL—NEGOTIATIONS TO INCREASE SUPPLY

Hon. Bill Jarvis (Perth): Madam Speaker, my question is also to the Prime Minister. It relates to Canada's reliance on foreign sources of oil. According to the best information currently available to the government, the dependency upon foreign oil will increase from the present 450,000 barrels a day to approximately 800,000 by 1985—an increase of about 78 per cent.

● (1430)

Will the Prime Minister confirm that it is upon this projection of a 78 per cent increase that his government is basing its negotiations not only with provinces but with foreign oil suppliers?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I cannot confirm that. I answered the hon. member for Kingston and the Islands a moment ago that I would take notice of her question regarding projections and I will give the hon. gentleman the same answer, namely, that the Minister of Energy, Mines and Resources will be available to answer questions on projections on the estimates.

Mr. Jarvis: Given indications that our historical suppliers, such as Venezuela, will be decreasing rather than increasing shipments to us, and given the difficulty, as evidenced this week, in negotiating new contracts with such countries as Mexico, will the Prime Minister indicate to the House which countries he is looking to over the next five years to satisfy our increasing dependence on foreign oil sources?

Mr. Trudeau: I am sure we would look for supplies wherever they could be had. The closer, the better.

OIL—CONTINGENCY PLANS TO MEET NEEDS OF ONTARIO, QUEBEC AND EASTERN CANADA

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is directed to the Prime Minister. Since domestic oil supply is meeting a decreasing proportion of our needs, and since the government has failed to secure the 100,000-barrel objective it had in mind in the Mexican deal, since this means a potential significant shortfall in both offshore and domestic supply, since it appears that the Liberal policy as stated by its candidates both now and during the last election is rationing, will the Prime Minister tell us, what is the government's contingency plan to meet the needs of Ontario, Quebec and eastern Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as in the case of the previous question, I do not agree with the premises of this one so I do not feel an answer is called for.

Mr. Gurbin: In his lack of plan, the Prime Minister has failed to identify how he will divide limited fuel resources between agriculture, industry and consumers. Will he tell the House if he has decided who will suffer most?

* * *

THE CANADIAN ECONOMY

SALARIES RECEIVED BY SENIOR EXECUTIVES OF CERTAIN CANADIAN CORPORATIONS—NEED FOR RESTRAINT

Mr. David Orlikow (Winnipeg North): Madam Speaker, I have a question for the Minister of Finance. In the last few days, the Department of Labour reported that wages of Canadian workers increased last year by 9 per cent. Statistics Canada indicated that the cost of living increased by more than 9 per cent in the same period, so real wages have suffered a reduction.

Today, we learn from figures released by the U.S. Securities and Exchange Commission that senior executives of Canadian corporations such as Seagrams, Imperial Oil, the CPR and Gemstar, to mention just a few, are now receiving more than $500,000 a year in salaries and other forms of income, an increase in the last year of more than 50 per cent.

Would the minister call in the officers of these major corporations and tell them that, given the state of our economy and the desire of so many government officials that ordinary people should restrain their demands on the economy, increases of the sort I have described are unacceptable?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have noted the representations of the hon. member and will consider whether, in the circumstances, it would be useful to take the steps he suggests. I agree with him that in the present situation restraint is required in all sectors of the economy, including the group to which the hon. member has referred.

* * *

CORPORATE AFFAIRS

CALL FOR MANDATORY PUBLIC DISCLOSURE OF EXECUTIVE SALARIES AND BONUSES

Mr. David Orlikow (Winnipeg North): A question to the Minister of Consumer and Corporate Affairs, Madam Speaker. I should like to ask the minister why Canadians have to get information of the kind I have just put on record, about executive compensation from the United States, through information required to be filed publicly as a result of regulations enacted by the U.S. Securities and Exchange Commission.

Will the minister give active consideration to amending our corporations act to make mandatory public disclosure of executive salaries and bonuses, as is now provided in the United States?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I find the suggestion of the hon. member interesting and will surely discuss it with my officials.

* * *

[*English*]

ENERGY CONSERVATION

INQUIRY WHETHER LEGISLATIVE ACTION PROPOSED

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is for the government House leader. Because of conflicting statements forthcoming from the Minister of Energy and his senior assistant deputy minister, will the hon. gentleman show that the government is serious about energy

conservation by bringing forward bills which indicate as much, or will he continue to appear to take advice from the assistant deputy minister, one of whose statements I will quote: "We ought to concentrate our communications efforts on getting them off oil rather than conserving energy"?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am unaware of such contradiction, I cannot accept the premise of my colleague. I can assure him that the Minister of Energy, Mines and Resources is endeavouring to see that the best policies are carried out in the interests of every Canadian.

[*English*]

Mr. Schellenberger: Part of my question was: would the government House leader show that the government is serious about energy conservation by bringing forward bills which indicate that seriousness?

[*Translation*]

Mr. Pinard: The hon. minister will do every thing that is necessary in the best interest of the Canadian people as a whole, and that includes policies on energy conservation.

* * *

THE CONSTITUTION

REGIONALISM WITHIN THE CONSTITUTIONAL SYSTEM

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the President of the Treasury Board. Yesterday, in a speech he delivered in Montreal, the minister said that we were experiencing an excess of regionalism in Canada. In light of the recommendation in the Pepin-Robarts report that one of the two greatest challenges in Canada is to allow for a new and deep expression of the forces of regionalism within the constitutional system, I should like first of all to ask the minister whether he was speaking on behalf of the government.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I was expressing my own views but, in any case, when I suggested that there was a problem in that area, I was referring to the report—

Madam Speaker: It seems to me that since that question does not deal with the minister's parliamentary responsibility, it should be directed to another minister whose responsibility it is.

Mr. La Salle: Madam Speaker, perhaps you will recognize the validity of my question. I was simply asking the President of the Treasury Board, who is a member of the cabinet, whether he was speaking on behalf of the government when he made this vitally important statement, in view of the Prime Minister's statements on renewed federalism.

Madam Speaker: The hon. member has been sitting in this House long enough to know that he has another recourse, and that is to direct the question to the member of the government empowered to answer such questions as to whether the minister was speaking on behalf of the government or was expressing a personal view.

Mr. La Salle: Madam Speaker, with your permission, I would like to direct my question to the right hon. Prime Minister of Canada. I think he understood the question I asked one of his ministers, the President of the Treasury Board, on the excessive regionalism we are presently experiencing in Canada, contrary to the recommendation contained in the Pepin-Robarts report for which I have the utmost respect. Was the minister speaking on behalf of the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not see in the minister's text where he spoke of excessive regionalism. I saw the expression "knee-jerk reaction" used in the context of decentralization and in that sense I fully agree with the minister. There is a pronounced tendency to think that we can solve all problems by greater decentralization and, in my view, that is not the only solution.

* * *

● (1440)

[*English*]

FISHERIES

TRAIN DERAILMENT AT MIRAMICHI RIVER, N.B.— CONTAMINATION OF FISH

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. As the minister knows, last Saturday a train derailed and plunged into the Miramichi River near Juniper, New Brunswick. I would like to ask the minister what he is doing to mitigate the effects on fish of the chemicals spilled into the Miramichi River.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, there is very little that we can do—

An hon. Member: Double-track.

Mr. LeBlanc: An hon. member has derailed over there. There is very little we can do once a spill has occurred, especially since we were notified only two days after the incident. I will, of course, be looking into that aspect of it, because I consider it to be quite serious that the railway authorities did not notify the proper departments. I am told that the damage is not as serious as had been feared at the beginning. But we are monitoring the situation to see the extent of damage. I only wish we had been told when the

products were still in the water, and we could have conducted testing.

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CANADA MORTGAGE AND HOUSING CORPORATION

GOVERNMENT INTENTIONS RESPECTING RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the minister responsible for CMHC, who is also responsible for the failure of Canada's home repair program.

Given the fact that families rarely qualify for RRAP home repair grants because the government refuses to adjust the unrealistically low 1974 income guidelines, or they cannot afford RRAP loans because CMHC has raised the interest rate from 8 per cent to 14½ per cent, or they do not live in an area designated for RRAP—

Some hon. Members: Question.

Mrs. Mitchell: —will the minister tell us whether this government is deliberately phasing out RRAP, which is so essential to upgrading older housing stock in Canada, as these increasing restrictions would indicate?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, it is not the intention of the government to phase out the program. Indeed, the government is studying and is attempting to infuse new activity into this program, as indeed we are into others.

It is a question of which program receives attention today, tomorrow and the next day. We have many requests from members of the party of the hon. lady who asked the question; but I can assure her that it is not our intention to let that program go. It is a valuable program, it has been encouraged and supported, and I intend to encourage it in the future.

Mrs. Mitchell: Madam Speaker, if new activity means disregard of recommendations in reports which have been in the minister's department for two years, I wonder about new activity.

In view of the fact that 200,000 low income families across Canada urgently need home repairs, and in Vancouver 1,000 hardship cases are waiting while close to $1 million of RRAP funds were unspent last year, will the minister assure this House that income guidelines will be adjusted, area restrictions removed completely, and interest on home repair loans rolled back so that these blatant disincentives are eliminated?

Mr. Cosgrove: Madam Speaker, through the last few years, in the short history of this program, we have gradually raised the number of homes which qualify. If we need to take the next move, which is to update the group which falls into it, that takes into account thousands of homes from coast to coast. To respond in equity from coast to coast would take a large infusion of funds. So we cannot do that. However, we are looking at modest ways by which we can approach strengthening the program in other ways.

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FOREST FIRES

PLANS TO ALLEVIATE HARDSHIP SUFFERED BY VICTIMS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to address my question to the Minister of Employment and Immigration, in his role as half of the western Liberal party.

On a tour in Saskatchewan last Sunday, the minister told us in the House that the devastation of the forest fires and, I think, the drought situation in the western provinces was surveyed. Could the minister tell us whether at the meeting last Sunday in Regina he and his colleagues came forward with any meaningful plan to alleviate the hardships imposed on the people of the provinces of Saskatchewan, Manitoba, Alberta and parts of British Columbia?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in reply to the hon. member, the discussions we held in Regina were with the officials who comprised the drought task force, which was established in 1977 when the prairie region went through a similar difficult period of dry conditions.

Those officials are from several departments. They have been meeting, advising and assessing the situation on a constant basis. They also have been negotiating with provincial governments. We have met with them. We discussed different proposals which could be made. Those proposals are being drafted and will be presented to cabinet, we hope, within the next week.

Mr. McKnight: Madam Speaker, I am pleased to hear the minister say that meaningful steps are being taken. A Canadian Press story from Regina, leaked from cabinet documents prepared for the cabinet as to what the role of the cabinet should be in the drought on the prairies and Saskatchewan, indicates in part that there is little the government can do about the drought in the west—"but it is of critical importance that we be perceived to be doing something; that we should arrange and stage a public relations effort so that the actions—"

Some hon. Members: Order.

Madam Speaker: Order, please. Would the hon. member please ask his question.

Mr. McKnight: Madam Speaker, in light of this cynicism, can the minister explain what meaningful program regarding drought cost-sharing with the prairie provinces his government will enter into? Saskatchewan has committed $20 million. Is the federal government going to pay 50 per cent of the $20 million in the province of Saskatchewan?

Mr. Axworthy: Madam Speaker, I think the hon. member should know that when it comes to meaningful action, the federal government is already heavily involved in a number of initiatives to relieve the problems in western Canada. We cannot relieve the drought: that is beyond our control and, I suggest, the control of all mortals. However, through agencies like the PFRA we are providing the opening of the community pasture system in the prairie region, and a number of water services.

Major initiatives are being taken at this point in time by the Department of Agriculture, and DREE, in their programs to aid and assist farmers. We have indicated in our discussions with provincial authorities that when they are prepared to put forward specific proposals about cost-sharing, those would be considered by the government, as they have been in the past.

Mr. Malone: We want rain, not a snow job.

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ENERGY

OIL—SOURCES OF SUPPLY FOR EASTERN CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I would like to direct my question to the Minister of Energy, Mines and Resources. The very serious blow with respect to the security of oil energy for Atlantic Canada which has come with the agreement signed between Canada and Mexico today is one to be regretted. It causes some real alarm, which I am sure the minister appreciates.

Given the fact that the need to import oil to meet unsecured domestic sources of oil in eastern Canada over the next seven or eight years will go up some 75 per cent or 80 per cent, can the minister tell the people of the maritimes, Newfoundland and Labrador what sources he is looking at to replace not only the valuable 50,000 barrels lost today, but also the increased requirements to meet basic needs in that part of Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like, first of all, to alleviate some of the fears of the hon. gentleman by saying that Canada has not lost today 50,000 barrels a day; it has won 50,000 barrels a day.

Some hon. Members: Hear, hear!

Mr. Lalonde: That has happened.

Mr. Crosbie: Less is more!

Mr. Lalonde: I understand the nervousness on the other side: they did not do anything about it for a year.

Some hon. Members: Hear, hear!

Mr. Lalonde: I say that this gain of 50,000 barrels a day has been made in spite of the fact that during the time they were in office, hon. members opposite did not do anything about increasing supply either from Mexico or from Venezuela. We had to work at double time to catch up with what they failed to do when they were in government.

Some hon. Members: Hear, hear!

Mr. Lalonde: I only want to add that the hon. member should not, again, spread useless fears about shortages in eastern Canada, for the very good reason that while it is true that Canada is importing oil, we have a policy in this government of making sure—through the Emergency Supplies Allocation Board, that if there were ever a shortage in this country, no one area would suffer at the expense of another area.

Some hon. Members: Hear, hear!

Mr. Forrestall: Madam Speaker, it would be interesting if the minister, or the Prime Minister, could indicate to people in Atlantic Canada just how they would transport oil or natural gas beyond Montreal and Quebec City to lend effect to the wild statements the minister just made. They were totally irresponsible.

● (1450)

My supplementary question arises from a very clear awareness, from comments made earlier today by the Prime Minister and, just now, by the Minister of Energy, Mines and Resources that they neither understand nor care about Atlantic Canadians.

Some hon. Members: Hear, hear!

An hon. Member: Nor the people in the west.

Mr. Forrestall: I should like to ask the minister this: with respect to the 50,000 barrels of oil for which we have now signed an agreement, and I remind the minister that as late as February 8—

Some hon. Members: Question.

Madam Speaker: Order, please. Especially on a supplementary question, I feel the hon. member should put his question quite shortly.

Mr. Forrestall: Madam Speaker, I would remind the hon. minister that as late as February 8 there were assurances from Mexico—

Some hon. Members: Question.

Mr. Forrestall: —that it would be—

Some hon. Members: Order.

Madam Speaker: Order, please.

An hon. Member: Make it short and snappy, as Madam Speaker said.

Oral Questions

TRANSMISSION OF SUPPLIES TO EASTERN CANADA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question either to the Minister of Energy, Mines and Resources or to the Prime Minister.

Mr. Crosbie: Take the Prime Minister, he's easier.

Mr. Crouse: In view of the government's decision not to proceed with the maritime portion of the natural gas pipeline, an action which would go a long way toward relieving the concern of Nova Scotia over a possible shortage of energy, I should like to ask the minister: would the government consider the establishment of a tanker service, either an intermediate or a small tanker service, between Montreal and Halifax in order to supply our area with Canadian oil?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am glad that at least this other hon. member from the maritimes knows that there is such a thing as maritime service in this country to help areas where there may be shortages at times.

An hon. Member: Answer the question.

Mr. Lalonde: In answer to the non-question of the previous member, I might point out that that hon. member does not seem to realize—

Some hon. Members: Order.

Madam Speaker: Order, please. Will the hon. minister pursue his answer, please?

Mr. Lalonde: I should like to point out to hon. members, in case they do not know on the other side, that the Panama Canal was constructed many years ago.

Some hon. Members: Oh, oh!

Mr. Lalonde: For years we have been able to ship oil from Vancouver, via the Panama Canal, to the east coast and to St. Romuald, near Quebec City. So that possibility always exists.

Miss MacDonald: That is why there is so much now.

Mr. Lalonde: As far as the specific question raised by the hon. member is concerned, he also knows that the government indicated that, while it agreed with the Energy Board decision to proceed with building the pipeline only to Quebec City at the present time, our preferred option remains to have the full building of the line as soon as the environmental concerns have been answered and as soon as we have sufficient information concerning the reserves off Sable Island. This is still the policy of this government and this is what we intend to abide by.

Some hon. Members: Hear, hear!

Miss MacDonald: Where is Allan MacEachen when we need him? Surely he can stand up for the maritimes.

Mr. Crouse: Madam Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Since we are now paying over $20 a barrel to compensate imports of foreign crude oil, costing this nation more than $3.1 billion in 1980 alone, is the government giving any consideration or planning to liquefy the natural gas which is available in huge quantities in the Baffin Island area, for delivery to the maritimes; and if so, when can we expect an announcement of this possible development?

Mr. Lalonde: Madam Speaker, indeed the government is considering the possibility of liquefaction of Arctic gas for transportation. This will be a very major project indeed. Petro-Canada is working on this particular question right at the present time. As the hon. member may know, it is called the Arctic Gas pilot project. Petro-Canada intends to apply to the National Energy Board some time this fall for authorization to proceed with the exploitation of those reserves.

As far as bringing that gas to the maritimes in order to increase supply to the maritimes is concerned, it would appear that the more economical way of doing it would be by shipping gas to the maritimes via a pipeline from the west, rather than through liquefaction from the Arctic. But the Arctic gas, the liquefied gas, might be gas that would be available for export if the Energy Board finds these are surplus reserves.

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FISHERIES

POLLUTION OF WEST COAST MARINE RESOURCES—STUDY BY GOVERNMENT

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I should like to direct my question to the Minister of Fisheries and Oceans. In view of the fact that a marine veterinarian has warned that the increasing incidence of marine mammals washing up on the west coast of British Columbia is an indication of deteriorating ocean ability to harbour man's pollutants, I should like to ask the minister if he could inform us whether his department is aware of this dangerous precedent and if any research is being carried out on marine mammals to indicate the cause of death, so that we can prevent threats to marine mammals and further threats to more marine resources in the future?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, of course I will inquire about recent incidents, if some are reported. When an unusual situation arises, there is great scientific interest in trying to determine the cause of unexplained death of species washed up on the shore. I do not have in my briefing notes any comments on recent incidents, but I will inquire from the hon. member. Then, of course, if there is a substantive answer I will provide it.

Mr. Miller: Madam Speaker, I have a supplementary question for the minister. Several of the most important and dangerous accumulative poisons are lead, arsenic and radium, which are heavy metals that accumulate in the body fat and interfere with normal functioning.

These heavy poisons have been permitted to be dumped in Alice Arm by Amax Mines, and permits for the dumping of mine waste and mine tailings in Alice Arm, beginning next year, have been approved by the British Columbia Pollution Control Board and by the Department of Fisheries and Oceans. Could the minister inform us, in his capacity as Minister of Fisheries, if he has directed his department to investigate the decision, in view of its seriousness? In effect, would the minister consider reversing the decision made during the last election?

Mr. LeBlanc: Madam Speaker, I was informed of this problem, or this situation when I was last in British Columbia and I asked for a full report on it. I would not reverse the decision unless there was evidence to show that the decision should be reversed. In this case, scientists made the judgment—and I understand the province was involved in these discussions—that it was better to use an underwater site for dumping than to use a land fill site, where rain causes leaching and in fact accentuates the problem. But I will look into this matter and report.

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THE CANADIAN ECONOMY

SUGGESTION CENTRAL BANK FOLLOW LOWER INTEREST RATE POLICY TO AVOID RECESSION

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I should like to ask a question of the Minister of Finance. I was wondering whether, in his weekly evaluation of the interest situation, he is taking into account the serious drought situation in western Canada as it affects not only the grain industry, but the cattle and the tourist industries as well.

I wonder if it has entered the mind of the minister, or the governor of the Bank of Canada, that continued high interest rates, even at the present rates, will cause a serious recession not only in western Canada but in the total Canadian economy? Will he ascertain from the governor of the Bank of Canada whether or not it might be advisable at this time to continue a lower interest rate policy in order that we might avoid an unnecessary recession which would affect the unemployed and the total economy of the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will be aware that there has been a very significant drop in interest rates—in fact, a very substantial drop in interest rates—in the past number of weeks. When I became Minister of Finance when this government took office, the bank rate was 14 per cent; today it is 11.83 per cent.

● (1500)

Some hon. Members: Hear, hear!

Mr. MacEachen: That is quite a result. If the hon. member could live with a 14 per cent bank rate, I think he can reconcile himself to an 11.83 per cent bank rate.

PUBLIC SERVICE

SETTLEMENT WITH CUPW—COST TO TREASURY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. In that he has been strangely silent during the post office negotiations with CUPW, I felt he should be given an opportunity to tell the House how well he has guarded the treasury.

Would the President of the Treasury Board indicate whether he can assure the House that the settlement with CUPW will not result in additional costs in excess of $26.1 million?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it is not our practice to carry on negotiations in public. I would expect my predecessor to be aware of that. The matter has not yet been ratified by Treasury Board. When it is, full details will be made available.

Mr. Stevens: Madam Speaker, again my question is directed to the President of the Treasury Board. In that the "A" budget, which is now in our estimates, contemplated a 6 per cent settlement for wages, plus any known scheduled increases for the CUPW, and there are no unexpended funds available for the Post Office budget and there are no reserves, will the President of the Treasury Board indicate whether he contemplates that special supplementary estimates will have to be brought into the House to satisfy the increase with regard to the settlement with CUPW?

Mr. Johnston: Madam Speaker, I would very much like to satiate the hon. member's curiosity; but, as I said, full details will be made available after the proposed contract has been ratified by the Treasury Board.

* * *

PRIVILEGE

MR. NOWLAN—RECOGNITION OF MEMBERS DURING QUESTION PERIOD

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise on a question of privilege. I hesitate to bring forward the perennial point of privilege about a situation that members on all sides sometimes experience but, quite frankly, Your Honour, my patience has almost come to the end. Any sensitivity for the issues before this country would have perhaps given some direction to the Chair as to why I have been rising right from the beginning of the question period for two days, having asked three to four questions in English and one question in French during the total time of this session. I do not rise frivolously in most cases, and I have not asked a frivolous question this session.

I have a matter that could potentially grievously affect my province in Atlantic Canada, and particularly my riding. There have been three members on this side of the House recognized today, fellow colleagues, admittedly, who were also recognized by Your Honour yesterday. The hon. member for South Shore (Mr. Crouse), for whom I have great fondness

and affection, was not on any list on Monday and was not on any list today, but you recognized him twice and still have been able to have a blind eye for this seat.

I would like to know what system the Chair uses. Admittedly you recognize front benchers, and you have help to guide the Chair, with which I fully agree; but I felt that once the question period was open the priority related to when members commenced to rise. I do not mind getting my exercise, Madam Speaker. I certainly enjoy getting exercise. But at some time I would like to know why my rising does not take precedence over other hon. members.

That is my question of privilege, Your Honour. I do not think either of the two ministers involved in the questions I wish to ask are going to be here tomorrow and I have given notice to both of them.

Madam Speaker: Order, please. I have already explained to the House what is my policy in conducting the question period. I did say that, of course, when front benchers want to get into the question period and I know they might have a supplementary to a question asked by another member, I allow them to ask those supplementary questions because I want the question period to be as lively as possible and to bring out as much information as possible.

As for the hon. member for Annapolis Valley-Hants (Mr. Nowlan), his name was on the list of those who have risen in the House for several days. I do acknowledge that. I recognize hon. members in the order in which they have risen and the hon. member's name was the fifth to come up on my list, but we did not get to him before three o'clock.

Many members rise and I try to recognize them in the order in which they do so. I am assisted in that regard, to be as fair as possible, by the Clerk who tries to give me that order. I do my best in trying to recognize members as soon and as often as possible, but it is not possible to recognize everyone every day. On subsequent days I bring back the names on my list, but if hon. members are not in the House it is quite obvious I cannot recognize them. I cannot keep them on the list for five or six days in a row. That is my policy and the system that I have tried to establish in order to satisfy all members, but we all know that is impossible.

Mr. Nowlan: Madam Speaker, I accept and appreciate the explanation. I do not like to say things in this House that reflect upon the Chair because the Speaker occupies a very onerous position, but when I see my colleagues, the hon. member for Kindersley-Lloydminster (Mr. McKnight), the hon. member for South Shore and the hon. member for Wetaskiwin (Mr. Schellenberger), all of whom were recognized yesterday, recognized again today on legitimate questions, I feel your system has to be revised to become a little more perceptive, with respect.

MR. CLARKE—LACK OF PUBLICATION OF COMPOSITE PHOTOGRAPH OF MEMBERS OF THIRTY-FIRST PARLIAMENT

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I hope to be able to convince Your Honour that I have a question of privilege in relation to a matter which affects most hon. members of this Parliament and, indeed, many of the members of the Thirty-first Parliament. It is a matter that has just come to my attention through an inquiry made to the office of the Clerk of this House. The problem is that a custom, nay a tradition, of Parliament may be destroyed by a simple administrative decision.

The Thirty-first Parliament was unique to many people for many reasons. For example, for some it was their only stint as a member of Parliament. It may or may not have been the shortest Parliament on record; the record will show whether it was or was not. It was unquestionably the first Progressive Conservative administration for 16 years. I am confident that it will prove to have been the first, but not the last, of which the right hon. member for Yellowhead (Mr. Clark) was prime minister. It may be the only one during which the right hon. member for Mount Royal (Mr. Trudeau) was leader of the official opposition, as they tell me he is going to retire again.

Members of the House and, indeed, visitors to the Parliament buildings stroll through the corridors here and view various contributions to the history of this country. I am informed reliably now that composite photographs of the members of the Thirty-first Parliament of Canada will not be produced.

Madam Speaker: Order, please. The hon. member has not given me notice of this question of privilege. I listened to him in order to determine whether it flows from the deliberations of today's session, but I find that it does not do so. Therefore, if the hon. member wants to give me notice I will hear him at another time.

Mr. Clarke: With respect, Madam Speaker, this is the earliest opportunity I have had to raise the matter. I move, seconded by the hon. member for Crowfoot (Mr. Malone):

> That the matter of the lack of publication of a composite photograph of the Thirty-first Parliament of Canada be referred to the Standing Committee on Privileges and Elections.

Madam Speaker: I want to say to the hon. member that if those photographs have not been put out, as they usually are, it is simply because a lot of the members were absent and we could not take their photographs. This is done as a matter of course. I hope this explanation satisfies the member; if not, I would ask him to give me notice and I will hear him another time.

● (1510)

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance,Trade and Economic Affairs—Mr. Cullen.

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

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FINANCE

TABLING OF ANNUAL ECONOMIC REVIEW

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, pursuant to Standing Order 41(2) I wish to table three copies, in both official languages, of the Annual Economic Review of the Department of Finance.

* * *

HOUSE OF COMMONS

RESIGNATION OF HON. LINCOLN M. ALEXANDER

Hon. Lincoln M. Alexander (Hamilton West): Madam Speaker, I hope that you will forgive me if I take a few moments of the time of this House. I know that there are matters of significant importance which must be debated, but I feel that it is necessary, after having spent 12 years in this House, to give some credibility to what is already a fact, that I will be leaving my "family", as I would like to have it known, this House of Commons, because I have accepted a position with the Workmen's Compensation Board of Ontario.

I wish you well, Madam Speaker. I saw that you were being tested today. I think that you have the fortitude and excellence of mind to handle yourself in your new position. I am sorry that I did not have an opportunity to become more involved and to challenge you as well, but I thank you for giving me this opportunity to speak to the House.

I have been touched by the excitement of this place. I have been moved by the challenges and touched by the joys and disappointments. But what is more important to me is that I have been touched by the friendships which I know I have made, because I have received so many letters wishing me well. When my friend from Edmonton East (Mr. Yurko) triggered that spontaneous standing ovation, it was a good thing that I did not have to speak at that time because there were tears in my eyes. I am not ashamed to say that I was not able to control myself. That was a great tribute and one I will never forget.

That is why I feel so sad at this particular time. This is a great family and a tremendous institution. When I think of the criticism which comes from all quarters, I say to my colleagues, "Forget it, because you are serving". Let those who criticize try to get into this place. There are so many who try to get in, but who cannot make it.

However, I have been blessed. I am grateful to three of four people, who I would like to single out, with your patience, Madam Speaker. The late Right Hon. John George Diefenbaker is the one who asked me to run, who believed that I should be here in this House and who believed that I had a role to play. No matter where he may be, I hope that I have not disappointed him.

I remember Bob Stanfield. He plucked me from what is called the back benches and honoured me by making me a critic in the shadow cabinet.

Of course, there is the right hon. Leader of the Opposition (Mr. Clark) who made me a cabinet minister. Madam Speaker and my dear colleagues, I stand here naked because in my wildest dreams I never believed that I would represent my country as a member of Parliament or that it was possible I would represent my country as a cabinet minister.

Yes, I will have some very fond memories of this place, but I think it must be recognized that there are many around us who make our lives more successful. It is not only the "me's" and the "I's" who are fortunate to be sitting here temporarily, but I think of those who are involved in *Hansard*, the maintenance department, the office of the Clerk, the Sergeant-at-Arms, security, the post office, public servants and even the media—although, there are a couple I would like to mention specifically, but I will let them know that I have love and forgiveness in my heart! Frankly, I could not care less what they think about me anyway.

I care about what the hon. members of this House think of me, and I care about what the people of Hamilton West think of me. I am pleased to have concrete evidence that they thought enough of me to send me back to this House on five occasions. But to those people to whom I made reference, I would like to say thank you, because without their assistance and help the Alexanders and anyone else you would like to mention, Madam Speaker, would not be effective in this House of Commons. They are the people who protect us and who look after us. I would like publicly to thank them now for looking after me for the past 12 years.

Some hon. Members: Hear, hear!

Mr. Alexander: These people have made my task very easy and very pleasant. I would like to extend a special thanks to Labour Canada. Although I was not there long, they did keep me out of trouble, and I thank them from the bottom of my heart. I wish them well because they are a fine group of people. When a new government takes charge and new ministers are appointed, there are some who believe that perhaps the public servants are not on their side. I can stand here and say that I had the confidence of my department, for which I am very grateful and I thank them.

Last but not least, I want to thank the constituents of Hamilton West who gave me their confidence, loyalty, and faith over the years. It is in this area that I feel a little confused and a little sad because they were counting on me. However, I will not disappoint them in the future because I am going into another area of service. I can advise them, as I can advise my colleagues here, that you expect much of me, that you want me to do a good job and I will not disappoint you, as I have tried not to disappoint you in all the years I have been here.

In conclusion, Madam Speaker, I would like to tell you in all sincerity and from the bottom of my heart that I will miss this place. But I think having served in this place I am a much better person, and for that I am grateful. Thank you very much.

[*Editor's note: Mr. Alexander received a standing ovation.*]

Mr. Alexander: Madam Speaker, I would now indicate to you that I resign my seat in the House of Commons for the constituency of Hamilton West effective midnight, May 28, 1980.

TRIBUTES TO HON. LINCOLN M. ALEXANDER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I think this is one occasion on which I can truly claim to speak on behalf of all members of the House of Commons when I say to the member of Parliament for Hamilton West (Mr. Alexander) just how very much he will be missed in this assembly, in the work of Parliament and of government. I think it is true to say that no member of Parliament is better liked in this House and that no member of Parliament will be more sorely missed by his colleagues.

The hon. member for Hamilton West served here with distinction for 12 productive years. He became a symbol of Canadian democracy and a spokesman for Canadians in need across this land. He served his constituency with care and sensitivity. He served in cabinet as an outstanding minister of labour. But more importantly to him and to us, he won the respect and affection of all who were associated with the House of Commons.

We all wish him well in the new responsibilities which he has accepted, but this House of Commons will miss Lincoln Alexander and will long remember him as one of the outstanding individuals ever to have served in this Parliament.

● (1520)

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the right hon. Leader of the Opposition (Mr. Clark) was perfectly correct when he said that on this occasion he was speaking for everyone in this House of Commons. I should just like to make that very clear and very certain by associating the New Democratic Party with the sentiments that have been expressed.

I rise to speak on behalf of my leader, the hon. member for Oshawa (Mr. Broadbent), who, like the hon. member for Hamilton West (Mr. Alexander), first came here in 1968. I also speak on behalf of all my colleagues.

We enjoyed the remarks the hon. member made today in his final speech in this chamber. I think what appealed to us most—at least, it appealed to me—was his emphasis on the friendships he has developed in this assembly, friendships that he will carry with him through the rest of his life. We have not always agreed with the hon. member. He and I have had some interesting discussions, but more often than not we have agreed and we have common interests. He has served this place with distinction. He has put forth his best effort and he fully deserves the tributes we have been paying to him in these few moments today.

We say goodbye to Lincoln Alexander from the House of Commons and we wish him the very best through all the years that lie ahead.

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, it is indeed a pleasure for me to have the opportunity of saying a few words in tribute to my colleague and friend, and my colleague from law school as well. We both went to Osgoode Hall law school and got to know each other very well over the years. Of course, he has been much more successful than I, and I guess he was more successful in law school as well. He has certainly been more successful politically. Although we were both elected in 1968, I sort of took a sabbatical from 1972 to 1974 while he continued to serve here. We have both been around since that time, Madam Speaker.

On behalf of this party I want to echo the sentiments of the right hon. Leader of the Opposition (Mr. Clark) and the hon. member for Winnipeg North Centre (Mr. Knowles) who spoke for the New Democratic Party.

I have enjoyed working with the hon. member these many years. He is going on to his reward with a new career—a career with the Workmen's Compensation Board in the province of Ontario. As a member from Ontario, I know that I shall be working with him and seeing him from time to time. I can only say au revoir, good luck, and God be with you.

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Lincoln): Thank you, Madam Speaker, for permitting me this opportunity of adding my voice to those of the leader of the Conservative party and others in paying tribute to one who is best described as a very personal friend.

When the hon. gentleman arrived in this House in 1968, I was then the minister of labour. In a comparatively short period of time I was very much aware of a rather brash, talented new member of the opposition party. In no time at all, as I recall, the hon. member became the Official Opposition critic of the labour portfolio. One day I called him over after a rather tough question or two and expressed the opinion that he

had perhaps been a little unfair. He reminded me that he had patterned his particular style after mine, which made it very difficult for me. He is a very charming individual.

I repeat what has often been said, that this is a very unique institution. I recall the hon. member and his wife coming with us to the ILO convention in Geneva in the early seventies. I had an opportunity to break bread with him and get to know him well. I must admit that I have always had a particularly soft spot for the hon. gentleman, particularly since he is the member of Parliament for the riding in which my mother lives. I am not just sure how she voted in the last election, since very early in the campaign she received a personal visit from the hon. member.

In conclusion, I want to say as one who left this House in 1976 that it is not at best a very easy decision. If we are selfish we tend to remain here because we enjoy the company of members, the challenge and the unpredictability of the House of Commons if you are a House of Commons man.

I recall on a similar occasion that the hon. member for Winnipeg North Centre (Mr. Knowles) expressed the wish that perhaps one day fortune would be such that I would be back in the House of Commons. I hope that what happened to me does not happen to the hon. gentleman.

I know, from the hon. member's record in this House of Commons and particularly from his compassion when he was minister of labour for those wonderful Canadians who do manual work for a living, that he is more than adequate to fulfil the role of head of Ontario's workmen's compensation board. I bridled and went to the defence of the hon. member when, shortly after his appointment, it was suggested by certain members of the press that he lacked the qualifications for the job. I think, Madam Speaker, that the qualities which the hon. gentleman has exemplified so many times here—compassion, concern, curiosity, willingness and devotion to work—are all the qualifications he needs to fill this very sensitive position, and I wish him well.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I will be very brief. I know that all of us in this House would like to pay special tribute to the departing member for Hamilton West (Mr. Alexander). We are extremely fond of him. As a matter of fact, I do not think it would be too much to say that we love him.

He is one of the four surviving members of the Conservative party of the class of '68; I am one of the four survivors of the class of '68 in my own party.

Mr. Nystrom: Retreaded.

Mr. Rose: Recycled and retreaded. I should like to tell him that I express no flim-flam at all when I suggest that the kind of friendship he has developed with all members of the House on both sides is unique. He is unique in a lot of ways. He is a person with drive, intelligence, forcefulness and a tremendously big heart.

We plan to have a meeting of the survivors of the class of '68 on June 25, which is a very important anniversary. Although he intends to resign from this House today or tomorrow, I should like him to know that we intend to award him special status and hope that he will be able to come to Ottawa and join the survivors of '68. There are some 25 members left out of approximately 100 who were elected, which tells something about job security around this place.

We offer the hon. member congratulations on his new career and want to let him know that we will certainly miss him. I know that he will miss us, and I hope he comes back some day.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, on behalf of my colleagues I also want to pay tribute to the hon. member for Hamilton West (Mr. Alexander). His contribution to the Parliament of Canada has been exceptional. He dedicated 12 years of his life to representing his constituents and Canadians as a whole in the best way he could, and I believe the circumstances justify that, on behalf of the government, I should offer him our best wishes, good health and a successful career outside this House.

I do not want to add further to what was said by those who knew him more intimately, but I would like to say that I personally had the opportunity to come in contact with him on several occasions. He proved himself to be a seasoned parliamentarian but always polite and always aware of that spirit that must stir us of being adversaries, of course, but at the same time people working for a common cause—the improvement of the well-being of Canadians as a whole.

[*English*]

In conclusion, Madam Speaker, I have recognized a good sense of humour in the hon. member for Hamilton West. I am sure he will agree with me when I say that the House of Commons will have a "missing Linc."

Some hon. Members: Hear, hear!

* * *

● (1530)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 14, 91, 289, 292, 381, 391, 392, 393, 394, 395 and 593.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

JANIS JOHN GRIMBA

Question No. 14—**Mr. Cossitt:**

1. Was or is an individual named Janis John Grimba or Janis John Gimba employed by the Department of External Affairs and, if so (a) under what circumstances (b) was he involved with security (c) what were his duties?

2. (a) To the knowledge of the government, is he presently on bail in the amount of $100,000 from a penal institution in Kingston, Ontario (b) what was the nature of the charge for which he was convicted including all available details and date of conviction?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State for External Affairs and the Solicitor General as follows:

1. There is no record of Janis John Grimba or Janis John Gimba having been employed by the Department of External Affairs.

2. It has been ascertained from provincial authorities that there is a Janis John Grimba presently on bail from the Toronto East Detention Centre. The honourable member should therefore re-direct his question to the Attorney General of Ontario.

METRIC MONITOR

Question No. 91—**Mr. Cossitt:**

1. Is the tabloid newspaper "Metric Monitor" published by the Metric Commission of Canada, P.O. Box 4000, Ottawa, Ontario and paid for from public funds and, if so (a) on what date did this publication commence and specifically was it in September, 1973 (b) how many issues have been printed (c) what has been the cost of each issue and what has been the total cost of all issues combined (d) how many copies of the "Metric Monitor" were printed for each edition and generally to whom were they circulated?

2. For what reasons is the government continuing to print such publications at a time when introduction of the metric system has been under review by a committee appointed by the former minister of industry, trade and commerce?

3. Is it the government's intention to continue with the review?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as Metric Commission Canada is concerned:

1. The Metric Monitor is published by Metric Commission Canada. The costs for printing and publishing are decided by Supply and Services Canada on a competitive bid system.

(a) The first issue appeared in March 1974;

(b) 61 issues;

(c)

Year	Total	Average Cost Per issue	No. of issues
1974	$ 53,012	$13,253	4
1975	$151,205	$15,120	10
1976	$181,446	$15,120	12
1977	$204,087	$17,007	12
1978	$176,674	$16,061	11
1979	$171,000	$17,100	10
1980 (to date)	$ 34,200	$17,100	2
Total	$971,624		

(d) 1974— 50,000
1975—110,000
1976—110,000
1977—150,000
1978—140,000
1979—140,000
1980—130,000

Metric Monitor Distribution—1979

Audience	Per cent	Metric Monitors
Federal Government	7.86	11,000
Provincial Government	3.57	5,000
Municipal Government	2.50	3,500
Parliament	0.57	800
Media	2.14	3,000
Metric Commission Canada	0.11	150
Metric Related Organizations	1.32	1,850
Steering and Sector Committees	1.79	2,500
Canadian Libraries	1.64	2,300
Chambers of Commerce	16.93	23,700
Corporations	25.00	35,000
Corporate Metric Conversion Officers	14.29	20,000
Institutions	6.00	8,400
Canadian General Public	7.86	11,000
U.S.A. and Foreign Public	0.71	1,000
Public Enquiries	7.71	10,800
Total	100	140,000

2. An ITC news release (ITC 16/79) dated October 4, 1979, states that "The Honourable Robert de Cotret, Minister of Industry, Trade and Commerce, and the Honourable Ron Huntington, Minister of State for Small Businesses and Industry, announced in Ottawa the establishment of an overview committee to study progress on metric conversion". The release also stated: "I am convinced that the present and future will demand that Canadians accept the fact metric is here to stay. It is not the government's intention to create problems or unnecessary delays in metric conversion. The overview committee has, therefore, been asked to review the progress achieved to date, to examine areas causing concern and to report to the government expeditiously".

3. The government continually reviews its programs such as the metric conversion program.

CANADAIR LIMITED

Question No. 289—**Mr. Herbert:**

1. (a) What was the amount paid by the government for the purchase of Canadair Limited (b) in what form was the payment made and to whom?

2. Was there any outstanding indebtedness at the time of purchase and, if so, what was it?

3. What was the authorized (a) share (b) issued capital of the company at the time of purchase?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Paid by the Canadian government $38,150,000.
(b) A progressive series of payments by cheque to the General Dynamics Corporation of St. Louis, Mo.

2. $25,615,000 in total made up by:

Notes payable to banks	$15,520,000
Notes payable to government	$9,350,000
Long-term debt	$745,000
	$25,615,000

3. (a) Authorized: 5,000,000 common, no par value

(b) Issued: 1,408,063

DE HAVILLAND CANADA LTD.

Question No. 292—**Mr. Herbert:**

1. (a) What was the amount paid by the government for the purchase of de Havilland Canada Ltd. (b) in what form was the payment made and to whom?

2. Was there any outstanding indebtedness at the time of purchase and, if so, what was it?

3. What was the authorized (a) share (b) issued capital of the company at the time of purchase?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) The government paid $40,498,902.59 for the purchase of the de Havilland Aircraft of Canada Limited.

(b) Payment was made by cheque, to the Hawker Siddeley Group and various minority shareholders, in Canadian dollars from the Consolidated Revenue Fund. (Hawker Siddeley $40,367,332.43; minority shareholders $131,570.16).

2. Total liabilities at the time of purchase amounted to $32,427,370.

3. Authorized share capital: 50,000 Class A without par value; 10,000 Class B without par value.

Issued share capital:	32,000 Class A	
	10,000 Class B	$306,000

POTASH—EXPORTATION

Question No. 381—**Mr. Herbert:**

1. Is there a surplus of potash available for export?

2. Are facilities at west coast ports adequate to increase the export of potash into the Pacific Region and, if not, are the facilities to be improved?

3. Are transportation facilities adequate to take increased shipments of potash to west coast ports and, if not, is any improvement contemplated?

4. Are orders for the export of potash presently being refused?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Industry, Trade and Commerce and the National Harbours Board as follows:

1. No. Potash can be regarded as universally in tight supply from all world producers.

2. The potash handling facilities at the port of Vancouver are considered adequate to handle forecasted increases in potash shipments.

3. With respect to the transportation facilities, it is expected they will also be adequate but as the major potash producers in some instances own their own rail cars, they, together with the railroads virtually control the transportation system for potash.

4. Yes. Under market conditions of tight supply, Canadian suppliers give priority to established long-term buyers, and the basic requirements of those buyers are being met in full.

CANADIAN GENERAL ATOMIC CORPORATION LIMITED

Question No. 391—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of the Canadian General Atomic Corporation Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

Canadian General Atomic Limited—(Non-Operating)

	(a) 1977	(b) 1978
1. Revenues	—	—
Net Earnings	—	—
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances or Guarantees	—	—
(c) Investment	Nil	Nil

CANADAIR SERVICES LIMITED

Question No. 392—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair Services Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

Canadair Services Limited

	(a) 1977	(b) 1978
1. Revenues	$2,546,114	$9,141,670
Net Earnings	$ 24,067	$ 62,383
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances or Guarantees	—	—
(c) Investment	Nil	Nil

Order Paper Questions

CANADAIR INTERNATIONAL LIMITED

Question No. 393—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair International Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

Canadair International Limited—(Non-Operating)

	(a) 1977	(b) 1978
1. Revenue	—	—
Net Earnings	—	—
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances or Guarantees	—	—
(c) Investment	Nil	Nil

CANADAIR INCORPORATED

Question No. 394—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair Incorporated?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

	(a) 1977	(b) 1978
1. Revenues	$1,307,030 U.S.	$3,844,169 U.S.
Net Earnings	$ 19,302 U.S.	$ 53,887 U.S.
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances or Guarantees	—	—
(c) Investment	Nil	Nil

CANADAIR GMBH

Question No. 395—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair GMBH?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned:

Canadair GMBH—(Non-Operating)

	(a) 1977	(b) 1978
1. Revenues	—	—
Net Earnings	—	—
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances or Guarantees	—	—
(c) Investment	Nil	Nil

AIR CANADA—HONOURABLE MEMBER FOR LINCOLN

Question No. 593—**Mr. Cossitt:**

1. What are the complete details of the pension, allowances or emoluments of any kind that were extended to the hon. member for Lincoln when he retired as President of Air Canada?

2. Is the hon. member receiving any benefits whatsoever from his former position and, if so, what are all the details?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

1. The hon. member for Lincoln is the former chairman of Air Canada's board of directors. He was at no time president of the company.

2. Air Canada regards remuneration and other conditions of officers' and managers' employment as proprietary.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

INCREASE IN MAXIMUM MONTHLY AMOUNT OF SUPPLEMENT

The House resumed from Monday, May 26, consideration of the motion of Mrs. Bégin that Bill C-16, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I am not so certain that the continuation of this debate at this time is appropriate following on the heels of the announcement by the hon. member for Hamilton West (Mr. Alexander) that he is retiring from the House of Commons. As we are all aware, it is not his intention to retire from active life and he will continue to serve his country in another function for many more years to come.

I have been listening with great interest to the debate on Bill C-16 as it has continued, and I must say that the speech presented by the hon. member for Winnipeg North Centre (Mr. Knowles) is of great interest to all members of this House, particularly on a subject which is so near and dear to him. I think members would do well to take heed of the remarks of the member from Winnipeg North Centre on a subject about which he is so knowledgeable.

I listened also with great interest to the speeches made by my colleagues in the House of Commons, the hon. member for Joliette (Mr. La Salle) and the hon. member for York-Sunbury (Mr. Howie). Both of these gentlemen made excellent representations, and I am certain their impact will be felt in the presentation of this bill and their support of it.

I must add that I was interested to hear what the hon. member for Lincoln (Mr. Mackasey) had to say. Probably he should know more about pensions than anybody else in the nation. Unfortunately, like most of the others in the country I was disappointed with his remarks. I suppose if anybody in this House of Commons should not have been dealing with that particular subject, it might be said that the member for Lincoln, who has been somewhat chatted about in recent months, should not have entered into the particular question of pensions.

However, I am glad to say that I can support Bill C-16, which will give a $35 increase to recipients of the GIS. But I am somewhat concerned about the method in which it was presented to the country. As hon. members are aware, this bill came about as a result of a Liberal promise made during the past election campaign, and although the fine print dealt explicitly with its being made available only to those who could pass a test, which presumably is the means test, it was in the minds of most individuals, certainly most recipients of old age security, that all people who were 65 years of age and over would be receiving the $35 increase.

For that reason I think it unfortunate that it had to come in the fashion it did, because the plight of senior citizens in Canada surely must be of more concern to the consciences of government than an election campaign. It was in that same vein that I was disappointed in the approach of the other opposition party in this House, that it too utilized senior citizens somewhat as a tool in its effort to have members elected. That is on the record, if anyone should choose to inspect it.

There were pressures on the government of the day to include that type of promise. However, we determined that we should not use senior citizens to that extent, and our decision was that the entire plight of senior citizens should be examined thoroughly and the decision would be based on a realistic evaluation of the difficulties that these people face.

By the year 2001 the number of senior citizens in Canada will have increased to about 3.4 million souls. Presently there are about 2.1 million senior citizens here. They represent approximately 12 per cent of the population. By the year 2030, we will have over 7 million senior citizens in Canada. Senior citizens are defined as those people over the age of 65. There will be about two to three times as many senior citizens in Canada by the year 2030 as there are now. By the year 2031, it is estimated that in Canada there will be only two people working to support one senior citizen. At the present time there are seven working people who support one pensioner.

The question that we must deal with as members of the House of Commons is to determine how these people are living and to examine their plight. I think that most of us recognize and appreciate that senior citizens are living poorly. Old age security, the guaranteed income supplement and the Canada Pension Plan account for more than one-half of the total income of people over the age of 65. Private sources—that is, private pensions—amount to something less than 12 per cent of the total income of senior citizens. In 1978, 54 per cent of recipients of the OAS were eligible for the guaranteed income supplement. That indicates that over 54 per cent of our senior citizens in 1978 were below the poverty line and were less well off than they were prior to 1978, prior to becoming senior citizens.

The average income of the elderly is about one-third that of the non-elderly. After tax considerations are taken into account, it increases to about 40 per cent. Even after the allowance for wealth, which includes such things as houses and other properties and the number in the family that they are responsible for, the gap gets narrower, but there is no question that the gap is still considerable.

Financing to support senior citizens is becoming an increasing burden on society. Today the expenditure of keeping senior citizens amounts to about 3 per cent of the total value of goods and services. By the year 2031 it is expected that the total expenditure will amount to about 7-plus per cent of the value of goods and services. It costs about three times as much in Canada to keep an elderly person as it does to maintain a child. That shoots down the argument that when the year 2031 rolls around there will be fewer children so there will be more money available to support senior citizens.

We recognize that as compassionate Canadians the objective of government has got to be the alleviation of poverty among our elderly citizens. In those terms Canada does not do such a bad job as far as other nations of the world are concerned. The only nations in the free world that exceed Canada's contribution to its elderly are Sweden, Italy and France, but in real terms, the terms that we must deal with, are they being treated fairly? The fact is that senior citizens in this country, the elderly who are recipients of old age security and guaranteed income supplement, are substantially below the minimum income standards that most of us know.

● (1540)

It is also interesting to note that elderly couples are better off than singles in this country. Because women live longer than men, they are worse off when living alone in unsubsidized housing. They are at the bottom of the heap, so to speak. Twenty per cent of the elderly couples in this country and 60 per cent of individuals who are senior citizens are living below the poverty line. Their plight increases every day because of

inflation. The fact is that their pensions are based on the consumer price index. However, the CPI does not reflect that increase in the commodity which so much affects them as individuals. That of course, is primarily the price of food. It is way out of line in comparison to the CPI. For that reason, it is unfair that these pensions are indexed on the CPI scale.

We then come to the question: Can we continue to afford to support them? Can we look into the future and can we see ourselves as a nation being able to pay the bills? In this country, as I mentioned, the pension schemes include the old age security, guaranteed income supplement and Canada Pension Plan. The old age security and guaranteed income supplement are programs that are financed by taxes that are collected during the year, and the Canada Pension Plan is partially funded.

As I stated, we must not forget that it is our responsibility as legislators, as members of Parliament, as the voice for senior citizens in this House of Commons, to ensure that their poverty is not only alleviated and helped, but indeed that they are brought to a level whereby then can live as properly as they should. That is our responsibility, and I want to reinforce my support for any type of legislation that will bring these senior citizens, who in so many cases are below the poverty line, above the poverty line.

In that regard, I will support Bill C-16 although the help of $35, or $17.50 each in the case of couples, is not very much. It is a mere pittance, but it is a step in the right direction. However, this House should not regard that as being a permanent solution. Surely the government will take it upon itself to do something about the difficulties of these people before another general election is held. These are hard decisions, the financing of the plan, which must be taken now. We cannot wait until the time is upon us when we no longer have the funds to assist our senior citizens.

Some people say that all funding should come out of general revenue, that the younger generation, the people who are now in the work force, should be paying to support the older generation. With respect to the old age security and guaranteed income supplement, I can support that kind of thesis. This is the type of system we have had in this country for a good number of years. I believe there is room in our system to support this type of approach.

However, I reject it with respect to the Canada Pension Plan. It is in that regard that I believe we must take responsibility now to ensure that the Canada Pension Plan remains at a level that will alleviate the drain on the treasury which it is bound to make and will as a result affect the guaranteed income supplement when the time rolls around that there are no longer any funds left in the Canada Pension Plan.

At the present rate, by 1985 pay-outs will apparently exceed contributions. By the turn of the century, the year 2000, the fund will be depleted entirely. It is obvious to me, and I trust obvious to the government and to other members of the House, that the time is now here to adjust the formula. We must prepare for the future of our senior citizens now.

There has been some suggestion that lower retirement should be brought into play, that it should be made available to those individuals who want to opt out of the work force. The entitlement to old age security and the guaranteed income supplement has been age 65 for close to a decade. I reject the suggestion put forward by some members that the retirement age should be reduced to 60. The fact is that people are living longer in this day and age and are expected to continue to live longer as the years go by. They are living longer because they are healthier. I do not reject out of hand all cases. I think there are special instances.

I was pleased to see the previous Conservative government take steps to protect widows between the ages of 60 and 65 who lost their spouses who were over 65 and were no longer entitled to spouse's allowances. I was pleased to see that government take steps to ensure that spouses continue to receive the spouse's allowance. That is a healthy attitude. That is an attitude I feel we should see continue in this House.

I would like to plead the case for those widows who had husbands or widowers who had wives in the work force who predeceased them and who are below 60 years of age, for example age 56, 57, 58 or 59. These people have a difficult time trying to cope with life. At that age it is difficult for someone who has never had any experience in the work force to try and go out and make a living and a contribution not only to themselves, but perhaps a family as well. I would like to think this government would have compassion enough for those people that they would take into consideration the situation in which this very special group of people find themselves.

I would also like to plead the case on behalf of the families of veterans whose breadwinner, or the veteran himself, has died. Those people should be allowed a special place, an entitlement to pension benefits and to consideration from us as legislators. I feel the mandatory retirement age of 65 is no longer realistic. I would like to see that phased out. In too many instances at age 65 we have people who are prepared and able to cope with many more years of service in the work force. People need that income as a means to support their families and themselves at the level to which they are accustomed. When we force them into retirement at age 65, in too many instances we are forcing them into a state of poverty.

These people should be able to maintain their eligibility to work and their eligibility to their pensions as well. At age 65 they should continue to receive their old age security benefits. They should be allowed to continue to work if that is their decision. In a good many instances, they are competent, capable individuals. We have seen many examples in the House of Commons of individuals who have much to contribute and who have contributed much past the age of 65. Of course, the fact of the matter is that as they become more of a force, they become a more significant group in the country and, with fewer people entering the work force we are going to need their contribution.

• (1550)

The special Senate committee on retirement has recommended the abolition of mandatory retirement one year at a time over the next five years. I believe that report was published last November. I support that approach. I believe it is a realistic attitude for the nation to adopt. I would like to see this country head in that direction.

In closing, may I say that the economy needs our senior citizens. It will rely on the competence and capability of these people more and more as the years progress and I believe we should not be forcing them out. I believe we should be providing greater amounts of money to our pension scheme, the one which is partially funded at this time, the Canada Pension Plan, to ensure that there are dollars there in the years to come to continue paying out the full benefits of the plan without relying on the taxpayers of the day to do that job, and that there will be ample funds in the old age security fund and the guaranteed income supplement fund to ensure that those who do require assistance have access to funds.

The overriding consideration must surely be to bring the elderly above poverty limits. I do not believe we should use the lowest poverty limits in this country as the example; I believe we should strike a happy medium. As I have mentioned, the CPI is not a realistic index with regard to those commodities which so closely affect our senior citizens. I believe that these people should no longer under any circumstances have to suffer, and I primarily believe that the elderly, the senior citizens in this country, should no longer have to fear for their future.

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next speaker, who will be the hon. member for Okanagan North (Mr. Dantzer), may I point out that according to the motion before us the bill is to be sent to the Standing Committee on Health, Welfare and Social Affairs following second reading. The Chair understands that there may be a disposition among members to carry the bill into Committee of the Whole. I would simply say that, when I have finished recognizing hon. members who wish to catch the eye of the Chair, I shall seek the will of the House as to whether or not the bill should proceed to the standing committee or to the Committee of the Whole.

Mr. Collenette: I rise on a point of order, Mr. Speaker. Since you have raised this matter, may I say there have been discussions among the parties and it has been agreed that this bill should not be referred to the Standing Committee on Health, Welfare and Social Affairs, but, rather, that we shall go into Committee of the Whole after the list of speakers on second reading has been exhausted. I might add that there is also a disposition to give third reading to this bill today, before ten o'clock. That is my understanding after discussion with the leaders of the other parties.

Mr. Nielsen: As far as we are concerned, that can be made a House order.

The Acting Speaker (Mr. Blaker): Then as I understand what has just been said, it may be desirable to amend the motion now. The Parliamentary Secretary to President of the Privy Council (Mr. Collenette) suggests that the words "and be referred to the Standing Committee on Health, Welfare and Social Affairs" be amended in the motion to read "and be referred to the Committee of the Whole". Also, that the bill be further considered on third reading. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

Motion amended.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I sincerely appreciate the opportunity to speak on Bill C-16, to amend the Old Age Security Act, because it directly affects many of the people who live in my constituency. Okanagan North is a constituency which boasts very beautiful scenery and very beautiful weather. This attracts very many senior citizens. In fact, in the community in which I live, the community of Vernon, some 40 per cent of the population are senior citizens.

When passed, Bill C-16 will fulfil the government's election promise to increase the monthly guaranteed income supplement for pensioners and those receiving spouse's allowance by $35 per person. In the case of married couples, however, their pensions will increase by only $17.50 each. This was not the understanding of many among the electorate during the course of the most recent federal campaign. People are dismayed, upset and astonished, particularly married senior citizens. Surely, only the Liberal party believes the myth of the 1930s that two can live as cheaply as one.

I would like to speak for a few moments, though, on behalf of those elderly Canadians who will not receive this increase and those Canadians who need more, much more, than this increase will provide. I should like to call attention to the inequities inherent in this legislation and, indeed, in all legislation dealing with pensions in this country.

Mr. Speaker, 36.4 per cent of all Canadians age 65 and over have an annual income of less than $5,000. In 1975, 60 per cent of households in Canada headed by pensioners aged 65 and older had incomes of less than $4,000. The elderly people of this country are poor. Many of them are shockingly poor. The increase which is now proposed reflects the government's band-aid approach to vital reform, an approach which cannot continue. Increases of $35 here or $40 there over the next 20 years will not solve Canada's pension problems. We cannot expect senior citizens to be content if federal legislators continue to treat their concerns on an ad hoc basis. It is our responsibility as elected representatives to review conscientiously the situation as it exists today, recognize the inequities and, more important, act to correct the problems.

The very nature of pension financing requires that decisions be made earlier. If we are to have an effective pension program in the year 2000 we must make decisions now,

decades before our reforms will directly affect the individual pensioner.

The changing structure of Canada's population is well documented. We are witnessing lower birth rates and lower immigration levels. If this pattern continues, and there is no reason to believe it will not, the older generation will eventually be larger than the younger. We must take this into consideration when dealing with the complicated issue of pension financing. Under current conditions, the ratio of old to young in this country will more than double between the years 1975 and 2050. If we continue the present pattern, as I suggest we shall, it can only mean it is going to cost the individual worker more and more money to support the retired population. We must now question the advisability of this situation.

I should like to take a few moments in which to outline what I believe to be one of the most urgent problems facing us today, one which the government must be prepared to deal with, and deal with now. Even a cursory examination of our public pension schemes demonstrates that we are fast approaching a crisis. The government cannot be allowed to ignore the issue of financing. History will record its attitude toward social responsibility in this area. It is a fact that the contributions scheduled under the Canada and Quebec pension plans will not be sufficient to finance pensions to which current workers are entitled. Without an increase in contributions, according to the department of insurance, the fund will be exhausted in 2003. The total contribution rate of employees and employers now equals 3.6 per cent of earnings. This must rise to 9.1 per cent by the year 2030. It is almost unnecessary to say that if future workers are unwilling or unable to pay the necessary increases in taxes and contributions, today's workers will lose all of their benefits.

● (1600)

By way of example of what can be done, the provincial government of British Columbia has recently moved to determine future increases in pension payments by the amount of money paid into the plan, by the amount of money contributed. The provincial government has acted to limit cost of living increases in civil servants' pensions on the understanding that open-ended indexing that is tied to the consumer price index will only result in an increased deficit. The province was worried, and justifiably so, about the unfunded liability which has been created by its own and the federal government's pension plans. These liabilities amount to $1 billion provincially and $7 billion federally.

I should point out that I am not necessarily lending my full support to the B.C. government proposal in this area. I am only saying that at least it is statistically correct, and that at least it is a fiscally responsible decision. I am not saying yes or no to the social aspect of that proposal.

This government has made a political decision to use scarce government funds—or, rather, tax moneys of Canadians—to subsidize the Canadian automobile driver. This government currently subsidizes the gas and oil consumer to the tune of some $3 billion per year. That amounts to about two hundred tax dollars per year for every man, woman and child in this country. I realize that this government has limited funds at its disposal, although this is hardly noticeable when one considers the gay abandon with which the liberal administration spends taxpayers' dollars. As I said earlier, I realize that choices have to be made, but I am not one who would have used scarce dollars and scarce tax revenue to subsidize the driver of the automobile. Gas guzzlers are used for pleasure as well as business. If I had had to make a decision in that area, I think I would have decided to spend taxpayers' dollars on some more worthy social purpose than to provide cheap automobile transportation and encourage the over-consumption of an already scarce resource.

By way of example, I suggest that the almost $3 billion subsidy spent every year would provide a pension increase of over $1,500 a year for each pensioner in Canada. By way of another example, $3 billion would go a long way toward properly funding our present pension plans. I might add that if the $3 billion was spent in Canada rather than handed over to the oil-rich countries as it is now, that would provide an enormous boost to our economy, with resulting beneficial effects on business, productivity and employment.

I urge this government to reconsider its choices and priorities and place the needs of pensioners at a much higher level on the list.

In the throne speech this government listed its second principle of action as follows: "My ministers will help first those who need help most". It seems to me that this government has chosen to subsidize the car driver and to allow the elderly to continue to live in poverty.

What of the elderly woman in our society? Two out of three elderly women in this country have income levels which are below the poverty line; 66 per cent of all widows over 65 live at sub-poverty levels. It seems that the position of women in the pension system has been largely ignored, for perhaps a number of reasons. Perhaps it is partly because the issue of women and pensions is tied to the relationship between women and the working world. In this regard the government should act toward strengthening survivor benefits, since many private plans have little or no death benefits, and most widows' pensions amount to 50 per cent or less of pensioners' benefits. This government has to recognize the fact that $35 a month is only a small step toward providing any real relief for individuals who are forced to live at sub-poverty levels.

I would like now to express my concern to this government regarding an issue which was brought to my attention by several constituents and many other people in and around this country. I understand that this is not a peculiar problem to British Columbia but is evident across Canada. I am told that the current formula for receiving old age security and guaranteed income supplement forces those over the age of 65 who wish to get married to live together without, as we used to say, the benefit of clergy. This is most distressing to a large number of elderly people.

At the present time a married couple receives funds totalling 100 per cent of the poverty line, whereas a single pensioner

receives moneys totalling 78 per cent of the poverty line. This means that it is not, then, economically sound for two single pensioners to get married and give up up to 56 per cent of their combined income, particularly when they are living below the poverty level. This is a very real concern to many Canadians, and I speak on their behalf and on behalf of these senior citizens to encourage the government to re-evaluate this situation.

In conclusion, I reiterate that I support this bill and encourage its speedy passage. I am concerned, however, that the present government recognize the fact that this increase is only the first step.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I will try not to delay the House too long. We want to get this bill into the Committee of the Whole House as quickly as possible and possibly get it out later this afternoon.

First, I feel I should mention that this bill comes about because of the promises made during the election campaign. The Liberals said they would increase the pension by $35 a month, and the NDP immediately bid $40. I must say that among the 22,500 old age pensioners who live in my constituency it does not go over well for them to have this insulting auction go on every election as to how much it will cost to buy an old age pensioner's vote. In fact, I do not think many of them were bought. The attitude I perceived from pensioners was that they would just as soon take the Conservative promise that they would be treated fairly, although this seemed to be an unfortunate election in which to run on high principles.

The NDP promise turned out to be considerably more, really, than the Liberal promise, which started to deteriorate right after it was made. First, it was not a promise to pay $35 as an increase to old age pensioners, despite what we might even read in tomorrow's press.

Every time I have read about this in the media, it has been a $35 increase to old age pensions. This is far from being a $35 increase to the old age pension. It is an increase of $35 per household, and only to the guaranteed income supplement. My records indicate that there are 486,047 people getting the guaranteed income supplement at the married rate. That is according to Statistics Canada. I will probably have more to ask about this during the committee stage.

There are two other points I would like to raise. I was rather concerned about the comments made by the Minister of Veterans Affairs (Mr. MacDonald), as recorded at page 252 of *Hansard*, when he was questioned about why he did not bring in the Liberal equivalent of our Bill C-28, brought in by the Conservative government. One of his excuses was, and I quote:

> Further, a continuing joint study has been undertaken with the Department of National Health and Welfare in order to achieve a greater level of harmony in the administration of income security policy and to identify opportunities for streamlining the administration of the MVA Program—

Further on he said:

> While I am very anxious to introduce changes to the War Veterans Allowance Act as quickly as possible, it is necessary that they be examined in relation to other social policy initiatives.

However, here today we have one of those other social policy initiatives coming about, and I expect that the comments of the Minister of Veterans Affairs really will not be borne out because we have clear evidence now that it is not being done in co-ordination.

The other point I would like to ask about is reciprocal pensions. Not everyone might be aware that the present Minister of National Health and Welfare (Miss Bégin) said to the Standing Committee on Health, Welfare and Social Affairs in December of 1978, and I quote:

> I am investigating the possibility of reciprocity of pension but the Brits really are not helping at all. I hope this will be put on the agenda of our two Prime Ministers if they meet very soon—

Parenthetically, they met a week or so later.

—which is what we heard in the press yesterday.

• (1610)

I will continue with the quote of the minister. It reads:

> As soon as I know whether it is to be on the agenda or not I will inform the House and that will, of course, change completely and speed up, I hope, my course of action. That is my priority. Italy was a priority, Great Britain was one. Italy is done and I am very proud of it, but I want to unblock the Great Britain dossier. It is very important.

When the minister speaks, I hope she will clarify what happened to her priorities. It is quite obvious that nothing came about because of the meeting of the Prime Ministers of Canada and Britain.

I do not want to delay the speedy passage of this bill any longer. I will have a few comments to make and a few questions to ask during committee stage, but as far as my party is concerned at this time, we are ready for it to go on.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, first of all I should like to add my voice to those members who have congratulated the Minister of National Health and Welfare (Miss Bégin) on her reappointment to her portfolio. Most certainly it is one of the most important portfolios, especially as many of its activities touch millions of our citizens in a very direct way. As time goes on, and considering some of the constitutional proposals currently in vogue, it may very well be that it will be even more important that we maintain whatever meaningful, direct contact we can between the federal government and citizens across Canada.

It is precisely because the old age security program is one of the few federal programs that touch many, many Canadians directly, along with a few other programs such as the unemployment insurance program and family allowance program, that I wish to spend most of my few minutes discussing the issue and principle of universality. Yesterday two of my colleagues, the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Beaches (Mr. Young), dealt at some length with many of the other issues involved with and related to this bill, such as the continuing discrimina-

tion against women in our current old age security system and the steps required in an attempt to end that discrimination. Second, they touched upon the fact that our pension levels are still inadequate in relation to realistic estimates of the poverty line, the history and development of pensions in Canada and the reduction of the retirement age. Also they put forward detailed proposals enunciated by our party in the recent election campaign, including our suggestion that the basic old age security pension should be increased immediately by an amount of $40 per month.

Of course, it goes without saying that I am in full agreement with their remarks and the proposals which they outlined, especially, their reference, and also the remarks of the hon. member for Lincoln (Mr. Mackasey) when he spoke yesterday, urging a return to omit the principle of universality and a move away from the needs or means test.

I am very much afraid that if we allow the principle of universality to be eroded further in programs such as the old age security system, family allowances and UIC benefits, then we will sooner or later precipitate a backlash from those middle income wage earners who work hard and pay most of the tax bill in this country only to find themselves, especially in the last few years in one program after another, cut off from the very benefits for which they have been paying.

Sometimes people have a very difficult time even reaching retirement age, not to mention—depending on the type of industry they have worked in—whether they are able to enjoy that retirement for other than perhaps a very few months. I am thinking particularly of the mining industry and the logging industry with some of their environment hazards. If we continue to adopt a system that cuts off those people who pay the majority of the bill from the benefits of one program after another, then sooner or later a backlash will take place in spite of the leadership which they or their organizations have given.

The cut-off levels for some of these programs are being set almost exactly, as we watch them year by year, in tune with or just a little above the average industrial wage. In the union which I was proud to represent prior to being elected to the House of Commons, a number of us noticed for many years that every time we negotiated our wage agreement, we were within a very few dollars of where the cut-off levels were being set to deny unemployment insurance benefits, to phase out family allowances, or in some provinces to eliminate them. Because of the erosion of the basic old age security pension, that which is paid out without a needs or a means test, we do not see many of them gaining any increasing benefit from the increasing share of the tax load which they have been paying.

No matter how idealistic some of us may want to be on occasion, sooner or later these people will be driven into a more socially conservative approach in spite of their usual willingness not only to support but to lead the fight for these kinds of programs and many other social programs which very often have tended to benefit others more than themselves. I am referring to people who in some cases have not had the benefit of being able to negotiate pension programs of their own and many other benefits.

One almost begins to wonder, noticing this tendency in the last few years, whether the continuing move away from the principle of universality is consciously or unconsciously designed to set a social backlash in motion. I cannot believe that that would be the intent of the minister today. Certainly the remarks of the hon. member for Lincoln, if he reflects any body of opinion at all across the floor, would at least lead me to hope that that is not the conscious or unconscious intent. But many of us have begun to wonder. I suggest that it could not be better calculated to provoke that kind of social backlash than if it were intended.

That to me would be regrettable. It flies in the face of everything that I and my colleagues have stood for over the years. It flies in the face of the kinds of social leadership which I believe not only my colleagues but many people in other parties have advocated over a long, long period of time. It would be a move backwards in spite of some very enlightened social leadership under rather pressing conditions which Canada has been very lucky to find in the labour movement in this country over past decades. Very often they have sacrificed many of their own abilities to gain benefits for themselves in order to set into place mechanisms which would aid those citizens who have had less power to further their own ends and interests.

I do not want to say very much more, but there is a rather common phrase in my father's country of origin, Denmark, which I think is apt to many social security programs. Their hope was to build a society where "few have too much and none have too little." Unless we can move toward the principle of universality, I believe we will fly in the face of that kind of social objective. I think that would be wrong. I think it would be dangerous for the entire fabric of our society. Of course I have to support the motion before us. It will be of some help to many people. But unfortunately, perhaps it leads us even further away from the principle of universality which I and many others believe is so important to the entire social fabric and future of our country.

The Acting Speaker (Mr. Ethier): I should like to inform hon. members that recognizing the hon. Minister of National Health and Welfare (Miss Bégin) will close the debate at this stage. Is that agreed?

Some hon. Members: Agreed.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, first of all I should like to say how pleased I am with the general support of this bill from speakers of all parties. Of course, I am quite pleased, as well, that members in every corner of this House have expressed the desire to do more to alleviate the financial problems of senior citizens in Canada.

● (1620)

The $35 a month will be a substantial increase and, according to the pleasure of the House, will start with the cheque in July. This is a total injection of about $500 million to this group of Canadians. We all know it is not enough.

Could the House please let me say, before we start discussing the details of the bill in Committee of the Whole, that I am the first one to recognize what I identify as the next step for us to take in Canada, namely, to liberate and free another sum of money. I wish the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) were here. We will liberate another sum of money as soon as the economy is in better shape and is more alive, amounting to about $730 million. That is what is missing to bring all senior citizens above the poverty line. I use that expression "poverty line", a cold, statistical phrase, as a measure which we can all understand and use to show our progress year after year, decade after decade, in providing a better quality of life for Canadians.

Perhaps I could answer just a few points that were made during the debate after my opening speech, and I will be very brief. The hon. member for Rosedale (Mr. Crombie) stated that he did not agree with the approach of a conference on pensions which I announced or reiterated at the end of my speech. He said that when he was the minister he had plans for a comprehensive review and the reference of the whole subject area to a standing committee of this House. In this regard I would like to say that I am sure we both share the same objective, which is to improve pensions in Canada, particularly private pension plans. However, I am in total disagreement as to the way by which this can be achieved.

As I said, all major studies have been done on private, public, semi-public or parapublic pensions, like the CPP, except one which is being finished and is due at the beginning of next fall, and I refer to the Ontario royal commission on pensions.

What is needed? Do we need one more committee and, by the way, could a committee of the House study and put together 15 or so reports, and how would it do so? Our assessment in light of all that we know of House of Commons proceedings, with the tools of work at our disposal, with the workload of members of all parties, is that a committee of the House of Commons may not be the best tool for doing this. We think that a committee, if given such a reference, would have to take at least two, if not three, years to do the work.

What is the work to be done? It seems to me the work to be done involves a technical step; namely, putting together these studies and listing in a comparative form the various recommendations. That is what I call a technical piece of work that the committees of the House are not equipped to do. In any event, that is what our departments are for. They have the expertise and the researchers to digest these various reports and present recommendations in a summarized way.

[*Translation*]

How should I put it? I will finish in French: having themselves put some order into all the recommendations and compared them one with another. Thus I have asked the department to prepare that table to summarize the recommendations contained in the more than twelve or fifteen reports already drafted on pensions.

Now what is the second step we consider the most important? Action is the answer. We think it is high time that the parties concerned, the economic partners, meaning employers, governments as employers, unions and pensioners themselves publicly discuss those recommendations. We think we are ready to have Canadians, and particularly the economic partners directly involved, to start talking about the different ways they favour and those they dislike, and telling us why, and second, for the negotiation and decision-taking process to be well under way within the next two or, at the most, three years. Indeed, we thought that a committee would have lost precious time with a tool which is far from being the most appropriate for making studies and recommendations based on various reports. In conclusion, I wish to emphasize the importance of making the first steps. We believe that a national conference in the fall would be the best way to do so.

[*English*]

Could I now make a short comment concerning a member who made the national news today. I just know him by his family name and I did not have time to check what riding he represents. I know he is a Conservative.

Mr. Knowles: Bow River.

Miss Bégin: The hon. member for Bow River (Mr. Taylor) made national news with something I would not like to use to make national news. It is true that it is his choice, but I would like to know why he did so. He said he believes honestly that by giving to people living alone, single, divorced, widows and widowers, a sum of money twice as great as what each partner of a couple will get will create the incentive to divorce. That seems to me to be pure fantasy, to say the least. I could also say that it seems to be pure Tory policy, or pure Tory belief about human nature. There is no need to say that. You do not divorce for $17 more a month. I cannot accept that. I asked the department how many divorces we created in Canada the last time we gave an increase to single people. They are very polite and they did not burst out laughing in my face, but they did not know what to tell me. To our knowledge this never happened.

I am saying, in other words, that no government has provided a sum of money which would change the behaviour of people to the point that they would choose divorce at age 65 just to get $17 more a month. I will not speak more of that, but I find that concern bizarre. I do not understand it and I do not think it is accurate. This does not happen and that is why I seem to be considering it very lightly.

Let me conclude by saying a few words about the statements of my friends in the New Democratic Party. I listened very carefully and have reviewed rapidly, though not in depth yet, all the possible indicators of inflation which can be used in indexing pensions. The results would indicate there would only be a few pennies, at most $1 or $2 more or less every three months. I will continue to explore the question to make sure there are not significant benefits lost to the seniors because of our way of indexing their pensions. The question I will pose to

my department I am already aware of, because it is the question that will give me the answer. The question is: If we were to choose a different way of indexing instead of the way we do it in Canada now, how many more millions of dollars will it cost initially? When I get the answer I will know immediately if we are talking business, if we are talking of something very serious, or if we are talking of a nuance with so little relevance it could not really affect the lives of our seniors.

● (1630)

During this debate I listened carefully to the members of the New Democratic Party who spoke and particularly, of course, to the hon. member for Winnipeg North Centre (Mr. Knowles). I remember very clearly the promises of that party during the last election campaign. Only today did I come to the conclusion that they speak the way they do because it is a strategy to maintain universality. I came to that understanding only today, and I am not even sure of my observations.

Quite honestly, I had great difficulty understanding the sudden promise of the NDP party during the election campaign, that they wanted to raise the basic OAS pension for every Canadian by $40 a month. Such an increase would amount to $2.5 billion a year. That is a huge figure. I was very surprised at this promise because there was no consensus in Canadian society that such an urgent step was required. There is this urgency in certain quarters, among specialists and experts, but not among the general public.

The idea that the general basic OAS pension should be slightly higher in order to correspond to, for example, 15 per cent of industrial wages or to some other measure is a theoretical concept developed among specialists. To my knowledge, this opinion has never reached the Canadian public and surely there is no consensus of urgency. For me the consensus of urgency is giving those pensioners on the GIS—in other words, those who need it—a better deal. The measure being used to make sure that there is a unique message, one which we keep repeating in order to achieve success, is: "Bring them above the poverty line". That is what we are trying to do with this bill.

As I said, one more step is required before these people will be brought completely above the poverty line. This time we are coming closer to that realization with the sum of $.5 billion. Another large sum of money will be required to make sure that they are brought over that poverty line once and for all. So if it was not an election campaign promise, I would say to the NDP members what I have already told them in public, that they have the academics but they still need an accountant in their party. One cannot find $2.5 billion just like that.

If I stress this point, it is because the hon. member for Kootenay West (Mr. Kristiansen) spoke often of the need for returning to the principle of universality. The hon. member does not know it, but he has raised the scarecrow of the loss of universality in old age pensions and, by way of consequence, family allowances. I think that this is the strategy of that party. That party wants to raise the OAS pension issue to put back into the minds of the Canadian public the need for saving pensions for all.

I can tell the hon. member that that is a battle which was won just a few months ago. I honestly think that members of this House from the government, the New Democratic Party and others who were interested in the fight in favour of maintaining universality against the trend of neo-conservatism which Canada, as well as other countries in the western world, has already gone through was won last fall and during Christmas and that it is now a battle of the past. I am very pleased about that.

I have no reason to believe that universality of social programs is under question, under fire or in threat of being lost. I must insist on that point because it takes so much energy to win such a battle, and I prefer to save my energy for the next battle. The hon. member for Kootenay West was talking about a battle of the past, and that does not interest me much. I prefer to identify the next step and tell Canadians that the next time we will have to do more for those people who have reached the age of 65 and who are living in conditions of poverty.

I do not want to leave Canadians today with the slightest hope that the basic old age pension will increase. Well into the future, the next step will probably be to help those people who are between the ages of 62 and 65. That will be the next step, to help those in need within that age group.

At this point I would like to thank all those who participated in the debate. Many hon. members were kind enough to agree to a speedy passage of this bill and to reserve their remarks for other occasions. I ask all hon. members of this House, whatever their political party or political beliefs, because they have all said nice things about the need to combat poverty among senior citizens, that they give their help by any means at their disposal and, particularly, help obtain from the provinces a commitment that this $35 will be passed on to all senior citizens living in institutions.

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

Some hon. Members: Question.

[*Translation*]

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

[*English*]

Mr. McKinnon: Mr. Chairman, I must say that I had hoped that this bill would get through before five o'clock, but the minister's remarks were a little too pointed to leave much hope for that. I do not think that getting after individual members on this side of the House is the way to encourage the speedy passage of any bill.

I should leave to the New Democratic Party the minister's funny calculation on what $40 a month raise in the old age pension would cost nationally. My figures are around $1 billion, not $2.5 billion. We will see who needs an accountant.

The number of people who are receiving the old age security pension, the guaranteed income supplement and allowances from the provinces total 2,206,000. If one multiplies to million by $500 a year, it adds up to roughly $1 billion.

I would like to go over a few questions which I had in mind before the minister summed up. I am not certain whether the minister would prefer me to ask individual questions to which she could give individual answers, or whether she would like three or four questions at a time. I believe that the minister is awaiting her advisers.

Miss Bégin: Mr. Chairman, I do not know the type of question which the hon. member intends to ask. It is no problem for me to take his questions either one at a time or all together.

Mr. McKinnon: Then I will run through my questions and the minister can suit herself as to whether she wishes to answer them one at a time or not.

In a press release which was put out by the Minister of National Health and Welfare it was estimated that an additional 45,000 OAS pensioners and spouses would become entitled to partial GIS and SPA benefits as a result of this amendment, and I was referring to the entire amendment as outlined in Bill C-16. I am curious as to just what aspect of the amendment will allow an additional 45,000 people to become entitled to partial allowances for the first time. I can see where a great number of them will get an increase in the GIS, but I would be curious about the estimated 45,000. Just what particular section of the bill does the minister anticipate will bring in 45,000 new pensioners?

● (1640)

[*Translation*]

Miss Bégin: Mr. Chairman, I hope you will excuse me, but this is my first bill in this session and we have forgotten the ritual which accompanies the passage of legislation.

The figure of 45,000 recipients of old age security not now entitled to the guaranteed income supplement who will receive part of the $35 following passage of this bill comes from the fact that we are automatically increasing the eligible income scale for all recipients. Let me explain. All recipients of an old age security pension receive by mail once a year a booklet, which I am now looking for and which I shall have in a few moments, which gives a table of incomes eligible for an old age pension supplement to the nearest dollar. This table shows a basic amount over which the recipient is not eligible. We are increasing this basic amount by $35 a month or $420 a year.

[*English*]

We increased the base of the table that people of little income can make and still get some GIS by $420 per year. Automatically, a certain number of seniors in the gray area who have just too much income, although very little, to start qualifying for the GIS will be able to qualify. I suspect that the calculation of the 45,000 was done by computer.

Old Age Security Act

Mr. McKinnon: Mr. Chairman, my next question concerns the minister's speech as reported at page 1282 of *Hansard*. She was quite definite when she said:

> I do want to make that clear for all those who are listening. I would add that couples receiving a supplement, whether part or all of the supplement, will have $17.50 each added to their cheque, which makes a total of $35 for a couple.

The bill makes mention of the increase being added to the maximum guaranteed income supplement. If that is where it gets added on, then what the minister said at page 1282 of *Hansard* for May 21 would not hold. The explanatory note on page 2(a) of the bill reads as follows:

> These amendments would increase the maximum monthly amount of the Guaranteed Income Supplement by $35 in respect of a single pensioner and a married pensioner whose spouse is not a pensioner and by $17.50 in respect of a married pensioner whose spouse is also a pensioner.

Taking the example of someone who just barely qualifies for some of the guaranteed income supplement—

Mr. Knowles: By $1, for example.

Mr. McKinnon: Or $10. If a person is receiving a supplement of $10 per month, is that person now going to get $45?

Miss Bégin: Yes.

Mr. McKinnon: So it will be added on at the bottom and not at the top. The bill is not too clear on that and it gives an indication that it was written by people who thought you could now get a guaranteed income supplement $35 higher provided you currently received 100 per cent of it. The part about $17.50 each being added to their cheques, this will be done in the household by two separate cheques. Each cheque will have $17.50 added to it, no matter whether both pensioners are at a very low level of guaranteed income supplement at the present time. If they are both getting $5, they would both get $17.50 extra and a single person would get $35.

Something that has been mentioned several times and which appears in the press release always bothers me about pension cheques and indexation. When the minister speaks of this supplement being on the July cheque, unfortunately a lot of senior citizens think they will get their July cheque on July 1. I would rather the minister explained when they will get their July cheque than do it myself.

[*Translation*]

Miss Bégin: Mr. Chairman, first of all, to close on the matter of the scale of incomes eligible for a supplement, this scale, of which I now have a copy, ends at the present time with these two figures.

[*English*]

Please let me give the current points right now for the scales of low income for people who can still receive some GIS. The existing cut-off point for single people receiving GIS is $3,696. With passage of Bill C-16, this will become $4,632. Everybody receiving some GIS who is in the single category—widowed, divorced, separated, single—has his or her cheque increased by the full amount of $35.

Mr. McKinnon: Unless they are married.

Miss Bégin: I am speaking of single people. Common law marriages are recognized as legal marriages by the old age security administration.

For married people the cut-off point today of $6,144 will become $7,152 per year. People who do not yet qualify for any GIS and who may be in the grey area will receive less than $35 per month, or less than $17.50 each if they are a couple, depending on their income.

A pamphlet explaining this will be inserted with the July cheque which will come late in the month. The third last banking day of the month is the date on which the latest cheque will be received, so it will be late July.

Mr. Knowles: Mr. Chairman, first may I say that I welcome the questioning that has taken place so that one or two points can be made clear. I think it is important for recipients of the pension to know that their increase will be in the cheque they receive at the end of July and not in the cheque they receive toward the end of June which they spend in the month of July.

I think it is also important and useful that it has been made clear that anyone who is getting any portion of the supplement at the present time, even if it is only $1 per month, will get the $35 in the case of a single person or $17.50 each in the case of two members of a married relationship.

Before I get into the one or two questions that I should like to put to the minister, I should like to say a word or two. I am not going to indulge in a long speech about our relative philosophies in this area but I was pleased that the minister, when she made her speech and tried to get straight in her own mind what our strategy is, said categorically that the battle for universality has been won—that no one is going to go back on that.

I hope the hon. member for Bow River heard that. When he made his speech yesterday, he said that he used to believe in universality but that he does not any more. He wants to take it away from some of those at the top of the scale, supposedly to enrich the pension to others. I trust the battle is won but there are still a few stragglers around who think they would like to change that principle. I agree with the minister as to its importance, and my colleagues and I feel very strongly about universality.

● (1650)

I was glad to hear the statements made last night by the hon. member for Lincoln, and I suspect that there are other Liberals on that side who have the same view. Likewise, I remind the minister again of my approval yesterday of the statements in this connection made by Senator David Croll on the occasion when a testimonial dinner was held for him over in the West Block.

It is still my view, Mr. Chairman, that it is wrong to make persons prove their poverty to get additional money. I think it is better for the amount to be paid universally and for the income tax to be used much more steeply than it is now to take it back from those at the top. However, that is an ongoing issue and we can discuss it time and time again, on and off the record. As I say, I am satisfied to let that part of the discussion end for today with the minister's ringing declaration that universality is here to stay. Let it be that way for sure.

Taking the bill as it is, namely a bill that does not increase the basic rate of the old age security pension but increases only the amount of the guaranteed income supplement, there are two or three questions I should like to put to the minister.

In the first place, I should like to ask her whether she and her department are giving study to some other basis for establishing the guaranteed income supplement level than that which we now have. I am inclined to agree with her that we put too much blame on the method of indexing. We say that it is wrong and that it does not produce the right results, but is not the real trouble that the base was too low at the start? It is no use for government members to say we have got indexing so we keep the pension value up where it was, when to begin with it was too far down.

What about my suggestion the other day that, instead of starting with a figure just drawn out of a hat and then indexing it, we start with a figure that bears some relationship to the cost of living at the level sometimes defined as the poverty line?

As I say, for the veterans on the disability pension, we have established a formula. We get away from it at times, but it is there and we keep coming back to it, namely that the 100 per cent disability pension shall be the average take-home pay of five designated categories in the public service. Why not establish, I said the other day, 125 per cent of the poverty level as the line below which no pensioner should be allowed to fall, and then either index that to the consumer price index or index it to the changes in the poverty level as established by Statistics Canada?

As the minister knows, when we take that computation we are taking the lowest one around. Any social agency will produce a level that is higher and, of course, there are problems about different costs in city and in country. But surely something better than just a figure drawn out of a hat, that no indexing ever makes adequate, would be better. I would like to ask the minister, when I give her a chance to reply, if she will tell me whether some study is being given to that in her department.

Second, I ask the minister, and I press this upon her as strongly as I can, whether in this term of office she is enjoying she is going to do something about the disgrace of the spouse's allowance legislation. The original motive may have been good—to give something to people who needed it. But the result is for women between 60 and 65 for the most part—I know it works both ways but there are not very many men involved—there is applied a marital test. If a woman has a man or has one that dies while she is in that age bracket, she gets the pension. But if she does not have a man because she is a spinster or divorced or became a widow before age 60, or she became a widow before her husband was over 65, there is no pension there.

The other day when I was talking about this, one of the Tory members here tried to chide me a bit. He thought I was actually standing up and advocating a means or an income test. I am not, and the minister knows that. But surely in that 60 to 65 age bracket something in the nature of a supplement or a pension because people need it is far more civilized, far more modern, than this pension based on the test that is applied to every woman, namely, has she got a man? It just does not wash any more. There is not a doubt in my mind that the minister does not like it. She was not connected with this department when this test was brought in; she was in a more esoteric area, the area of external affairs. I often wonder what she thought about the test when it was being put through. My urgent plea to her is that something be done about this.

We heard comments made today when the minister was turning down our request for an increase in the basic amount of the pension, at least turning us down for now. There is always the future in this business and there are the increases that come about because of the rise in the cost of living. Anyway, when she was doing that she said that the area where something was needed to be done was that respecting unattached women—I think the age bracket she gave was 62 to 65. I would rather see the bracket of 60 to 65, and there is the problem of those from 55 up. That is where the problem assumes rather large proportions.

I was glad to hear the minister say that, just as I was glad to hear her say that the battle for universality has been won. But I relate this to the unfairness in the spouse's allowance. What is she going to do to meet this problem which all of us know is so real? We can give our statistics about pensioners, we can tell about the problems that people have, single or married, in large cities, and all the rest of it, and I can make my speeches about the desirability of universality. But I agree with her that the most pressing problem for senior citizens is the problem faced by unattached women from 60 to 65, as well as those between 55 and 60. I hope that the minister will tell us that the department is going to do something more about that area than is done in this bill.

I had another question down. I was going to leave it to my friend from Victoria, but he mentioned it in his second reading speech although he did not raise it again in Committee of the Whole. But with my respect for him, since he comes from a place where so many of them are involved—I know from the correspondence I get from the member's constituency—I will raise the matter, and that is this question of reciprocity.

Mr. Nielsen: That is why he gets elected all the time.

Mr. Knowles: It is because the people write to me and I answer their letters? This is an interesting place, isn't it?

A long time ago we were told that pensioners from the United Kingdom living in this country could not get their United Kingdom increases because there was no reciprocal agreement between Canada and the United Kingdom. After a while we passed one piece of legislation and then we passed another to make reciprocal agreements possible. But the people who write to the department tell us when they write to us that the blame is put on the British, and when the British write these people, they put the blame on the Canadians.

We have a reciprocal agreement with one or two other countries. We have moved a lot slower in this field than I had thought we would and that I had hoped we would, but surely we can talk to the people in the United Kingdom and come to some understanding about this matter. Perhaps the minister can answer me at eight o'clock.

• (1700)

[*Translation*]

The Deputy Chairman: Order, please. It being five o'clock, it is my duty to rise, report progress, and request leave to resume consideration of the said bill later this day.

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton North (Mr. Paproski)—Sports—Financial assistance from lotteries; the hon. member for Winnipeg North (Mr. Orlikow)—Consumer Affairs—Increase in interest rates of department stores and oil companies—Detrimental effects on Canadian consumers; the hon. member for Kindersley-Lloydminster (Mr. McKnight)—Transport—Study of "at and east" freight rates.

[*English*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Item No. 3, the hon. member for York North (Mr. Gamble). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Shall all items up to No. 13 stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

* * *

CRIMINAL CODE

AMENDMENT PROHIBITING PUBLICATION OF IDENTITY OF ACCUSED PERSONS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved that Bill C-213, to amend the Criminal Code (reporting names of accused), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a pleasure to rise today to address myself to this topic and to this bill in particular. I naturally hope that this bill might go to the committee for consideration and will not be talked out. I happen to think that the subject matter at least is very important; it is one that we have shied away from addressing straight on. I hope there will be some exposure of it today. Maybe it could be dealt with at length in the Standing Committee on Justice and Legal Affairs.

I first introduced this bill back on July 12, 1977. I introduced it again on October 29, 1979. Interestingly enough, I find that in the provincial legislature of Ontario, Albert Roy, the provincial member for Ottawa East, copied the principle of this bill and introduced one of his own back in November, 1977, and had it debated in that assembly. It is more appropriate to debate this bill in this House and to amend the Criminal Code.

First, I would like to refer to section 2, subsection (f) of the Bill of Rights, which states that a person charged with a criminal offence has the right, and I quote:

—to be presumed innocent until proved guilty according to law in a fair and public hearing by an independent and impartial tribunal—

I agree with that 100 per cent. I might also point out in advance of going into the details of my comments today that I have received opinions in support of this bill from such diverse groups as the South Okanagan civil liberties society and the report of the committee of the social planning council of Ottawa-Carleton concerning the publication of the names of persons accused of crimes.

A lot of the detail I will go into comes from a magistrate in England, Magistrate Margaret Jones, who in 1974 did quite a lengthy paper, which was her thesis for her Ph.D., dealing with this topic of whether or not there should be broadcasting or printing in the printed news media of people's names prior to their having been convicted.

I am pleased that today we will have an opportunity of considering this bill. The bill is designed to recognize one of the fundamental concepts on which our system of justice is based, and that is that an accused is presumed innocent until proved guilty. Toward that end, this bill would prevent the naming of an accused in the media until he or she is convicted of an offence. Since I first introduced this bill I have received many letters, some from journalists, some from civil liberties groups, and some from individuals who felt that they suffered unjustly because they had their names appear in the local media only to be subsequently acquitted of the charge.

I believe this bill is quite straightforward. It would prevent the publication or broadcasting of the name, address or occupation of an accused in any manner in connection with the commission of an offence or the judicial proceedings arising out of the commission of such an offence. For the purposes of the bill, I have defined an accused as anyone who has been charged with an offence and who is awaiting trial, undergoing trial, has been acquitted, or has received an absolute discharge or pardon.

I realize that this bill is not perfect, that the argument surrounding the question of a free press versus a free trial is not about to be resolved this afternoon. The files I have compiled and the letters I have received on this bill have shown just how divided public opinion is on this issue, even among sectors such as the civil liberties groups which usually have no problem finding a consensus.

Basically I have introduced this bill almost as a devil's advocate. I am willing to be persuaded now as to whether we should continue with the system which we presently have where people's names can appear in the press prior to conviction, or whether this bill should be passed, or at least go to committee for detailed consideration of whether persons' names should be commented upon before there is a conviction.

I hope the bill will not be talked out because it is a non-partisan issue. I believe it is a topic which does merit further study in the Standing Committee on Justice and Legal Affairs. I hope that at least the subject matter will later today be referred to that standing committee.

In Canada, there is no encompassing standard for court reporting. Coverage is randomly selective, based on a vague notion of newsworthiness, a notion which could never be defined unanimously by any group of ten editors that one could assemble. There are only two common qualities to cases which are deemed to be newsworthy: first, it is a selective process, and secondly, it is the product at the discretion of the news editor's judgment. Unfortunately in journalism, as in all other fields, selectivity leaves the door open first for injustice, and secondly for exploitation. Perhaps the greatest irony in this debate is that while judges have strived over the years to achieve a greater consistency in sentencing, the press has achieved anything but consistency in their coverage and in their decision of what is of importance and interest to the general public.

Magistrate Margaret Jones of Britain, who has written a doctoral thesis on the subject of naming of accused, has characterized the practice of the British press as "the arbitrary infliction of publicity on a random cross-section of the

accused". It is a characterization that easily adapts itself on this side of the Atlantic. Canadian practice is a hodge-podge of guidelines and traditions and editorial edicts from each and every news organ in this country. In some cases, it is the practice not to cover shoplifting, petty theft, wilful damage under $50 and so on, but the ban gets lifted should there be a significant "human interest angle". Most editors will agree that "little crime by little people" does not deserve coverage, that is unless there is a possibility of a person's misery becoming a human interest anecdote for the lighter side.

I would like to say that this is a moral issue, and in its defence the press uses moral arguments. I intend to look at these, but I would like to say that first and foremost the press is an industry. Criminal proceedings are but one more source of grist for the information mills. It is the task of the media to use every available pool of information to make a selection of stories, which are then displayed in a particular order to make as good a newspaper story or broadcast as possible.

● (1710)

A court case is no different from any other type of story. The decisions made about coverage remain journalistic, non-judicial. In general, the sexiness or saleability of a story is paramount. A morals charge, in practice, receives automatic attention. Leaving the scene of an accident will not, unless it is in connection with an accident of major proportions or involves a socially or politically prominent individual. An accused may see published not only his or her name, but address, occupation and even, perhaps, parentage if such happens to be newsworthy.

In this city a few years ago a case involving an alleged male prostitution ring made every front page and newscast. Many of the alleged clients were charged and their names and addresses were published. There was a preliminary hearing. It was lengthy. Then they went to trial, but prior to that one of the accused committed suicide after receiving death threats and harassment at work. So here in this city at least one death has resulted from this journalistic practice. Eventually, Mr. Speaker, all the accused were acquitted, the Crown withdrawing the charges because they did not depend upon the reliability of their young witnesses. But many of the accused had already lost their jobs or been obliged to leave the city to re-establish elsewhere because of the penalty of publicity.

Recently there has been another case in this city involving a trial for rape. The accused, who was later convicted, had not only his name, address and occupation published, but his racial origin as well. Somewhere along the line his race was deemed as integral to his trial and as newsworthy. For years the Ontario human rights commission has bluntly said that the needless accentuation of racial or ethnic origin in court reporting can only lead to the polarization of communities and suspicion. It cannot help but reinforce negative stereotypes.

As Morris Schumiatcher, chairman of the civil liberties section of the Canadian Bar Association has said, the presence at any trial of the general public, of which the press is a part, is intended to ensure a fair trial. Let us not forget that it is the accused who is supposed to be the prime beneficiary. It is not for the purpose of informing, entertaining or titillating the general public. I do not accept for one moment that the actions and the proceedings of the police or of law enforcement agencies and the courts cannot be fully and effectively reported or even commented upon in the media, but this should be done without the use of names or any other identifying description.

As I said before, Mr. Speaker, the press uses moral arguments in its own defence. There is a notion that the adverse publicity is a deterrent to crime, although the reporting itself is random and there is no way of knowing with certainty what will be reported. There is a notion that the press is the instrument of the public's right to know, although there is hedging as to when knowledge crosses the boundary into curiosity or entertainment. There are even some who use the argument that publicity, should, in effect, be part of the penalty for crime, although it is not determined why an accused who is later acquitted should have to pay that penalty.

Then there is the justification which is offered that every newspaper tries to follow up on its court stories, and that where there is an acquittal that, too, will be published. But of course, Mr. Speaker, there is no guarantee that the follow-up will receive the same prominence as the initial story; nor is there any admission that with today's large urban centres and the proliferation of courts, remands and appeals, it is virtually impossible even for the most well-meaning editor to ensure that there will be an efficient follow-up on every story, particularly in connection with minor cases.

There is also the argument, taken up by several civil liberties groups, that failure to name an accused puts in the hands of the police the potential to arrest an individual, charge him, hold him in jail and neglect to notify anybody that an arrest has been made. To that I say "balderdash," because the same procedure could be used as is used today, only you could not disseminate the names and other identifying information. You would have the same police dockets and the remands would be the same—no more than eight days.

Some see a bill such as this one as an attempt to legislate secrecy in the courts. I do not buy that. That is not the reason for this bill. Others quite bluntly say that there is no place for sentiment in selecting court or crime stories for publication, that it is the media's obligation to report any story it feels will be important or interesting, or both, to the general public. It is funny how the names of Jean Marchand or Louis Robichaud were both on the front pages of Ottawa newspapers when they were facing charges for impaired driving. Yet any day you can go down to No. 1 court at 60 Waller Street, where the remanding is done, and find 30 or 40 people picked up every night and charged with impaired driving. But their names are not to be found even on page 60 of the same newspapers.

These arguments are the ones most often used in defence of the practice of naming the accused. I would like briefly to outline what the practice is in two European countries, countries which are frequently held up to us as models of social justice and progressive thinking.

In The Netherlands the names of accused are not broadcast or published at any stage during criminal proceedings—arrest, during trial, even on sentencing or acquittal. This is a matter of tradition in the Dutch press. Where a trial story is used by the media, an accused is identified by initials. The Netherlands government is obliged to list the names of accused and the disposition of each and every case in an official government periodical.

In Sweden a code of conduct has been established by the code of honour of the press which is observed by all its members. The code states that the name of a person involved in judicial proceedings cannot be published or broadcast until conviction and sentencing, and only then if the sentence is one of imprisonment for two years or more.

Here in Canada we have seen action taken already in terms of press reporting of court cases. Reporting of preliminary inquiries as covered by section 467 of the Criminal Code states:

> Prior to commencement of taking of evidence at a preliminary inquiry, the justice holding the inquiry shall, if application therefor is made by the accused, or where there is more than one accused, by any one of these, make an order directing that the evidence taken at the inquiry shall not be published in any newspaper before such time as
>
> A) the accused who made the application discharged, or
>
> B) if the accused who made the application is committed for trial or ordered to stand trial, the trial is ended.

Of course, Mr. Speaker, under sections 441 and 442 of the Criminal Code, justices have a limited jurisdiction to hold certain proceedings in camera and to exclude the public where a juvenile is charged, or where the judge is of the opinion that it is in the interests of public morals, the maintenance of order or the proper administration of justice to exclude the general public.

I should also point out that in September, 1978, the Canadian Bar Association passed the following resolution at its Halifax annual meeting:

● (1720)

> Be it resolved that the Criminal Code be amended to provide that the name or identity of a person (including a corporation) charged with an offence shall not be published in a newspaper, magazine or periodical or broadcast in any manner unless
>
> (a) an indictment has been preferred pursuant to section 507 of the Criminal Code;
>
> (b) the accused has been committed to stand trial following a preliminary inquiry;
>
> (c) the trial has commenced;
>
> (d) the accused consents in writing to the name or identity being published or broadcast.

The purpose of that resolution was to protect those who are charged but who never come to trial for lack of evidence.

In 1974, the Ontario Press Council solicited views on the naming of an accused from the Elizabeth Fry Society and the John Howard Society.

Mrs. Elizabeth Haslam, the director of the Elizabeth Fry Society in Toronto, responded, and I quote:

> We are interested in the debate about the publishing of a name as a protection against arbitrary arrest and court procedures. Personally I would see the fact of courts being open to the public, including the press, as being the safeguard. If an individual wished to have his or her name published in connection with the case, then this, of course, should be his or her right.

Mrs. Haslam also said that in her understanding of the problem, the consequences of naming an accused were worst in small communities, that the family of an accused does suffer unfairly from the practice and that the general public, contrary to our concept of presumed innocence, operates on the assumption of guilt once an accused's name is published. She also noted that in the case of the young, rather than having a deterrent effect, being named in the media is far more likely to create a sense of importance or celebrity.

At the same time, the Ontario executive director of the John Howard Society replied that the society is just as concerned about the nature and extent of crime in a community as it is with the judicial process. Here again, one wonders how a community can be served, given the selective nature of court reporting, with an accurate concept of crime within a community. There is perhaps far more constructive work to be done on the part of the media in terms of analytical crime reporting or judicial reporting than in the selective display of random cases.

In contrast, the Canadian Civil Liberties Association has taken the view that media coverage and the naming of an accused is a safeguard against abuse and remains the essential public means of evaluating government and law enforcement agencies.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired. Nevertheless, he could carry on if he has unanimous consent. Does he have unanimous consent?

Some hon. Members: Agreed.

Mr. Dick: Mr. Speaker, I thank you and other members of the House. I will try to wind up my remarks as quickly as possible.

As I was saying, the Canadian Civil Liberties Association has taken the view that media coverage and the naming of an accused is a safeguard against abuse and remains the essential public means of evaluating government and law enforcement agencies. The view is one of "better to run the risk of having an individual's reputation injured from time to time than have the channels of mass communication cut off".

I would like to return to the thesis of Magistrate Margaret Jones. Mrs. Jones came from a family with a journalistic background and is married to an editor. In her book "Justice and Journalism" she states:

> I have ended, after several years of study, with the conclusion that the current action of the British press in reporting the proceedings of magistrate's court is socially undesirable and detracts from the administration of justice. I have found that it contributes to injustice in its arbitrary infliction of the punishment of publicity, often the cruelest and most harmful of all penalties, upon a random selection of offenders . . . whom the newspapers choose to identify.

In her analysis Mrs. Jones said that the foundation for change would be based on modifying the nature of reporting to accord with the concept that an accused is presumed innocent as well as providing for the names of the accused and court decisions to be publicly available in a government document.

She also outlined the following three steps:

(1) In reporting summary proceedings, there should be no publication of names or identifying particulars until a criminal charge has been determined;

(2) In the reporting of summary proceedings, there should be no publication of names or identities when a trial ends in an acquittal unless the defendant opts for the advertisement of his or her innocence;

(3) In the reporting of summary proceedings, there should be no publication of names or identifying particulars of civil offenders whom a court has found it expedient to punish and in respect of whom it has made an order of absolute or conditional discharge or probation unless those persons opt for identification.

As I have said before, the media is an industry, and court reporting is but one of the many materials it uses. In this country it is a tradition of reporting the names of the accused. In the past we have legislated against industries where we have found their traditions to be harmful, whether through environmental regulations or child labour laws. We have legislated such practices out of existence. I think it is time that we began to look at this segment, for if there is one point of unanimous agreement among the media, it is their distaste for guidelines laid down by any press council. And it is all too apparent that the various press councils in existence are handicapped in their efforts to police their members.

In closing, I would like to leave the last words to Margaret Jones. After publishing her thesis, she was asked to speak before the British Guild of Editors. She said:

This then is the challenge for the watchdogs of justice—do not degenerate into the jackals or hyenas of justice. In your reports of judicial proceedings can you not cease to be the hounders of humanity, at least for its minor crimes, yet still continue to watch over and record the process of justice? If you could do so you would make good the proud boast of the press that, through it, justice in our courts is seen to be done. Then you might better be called not the watchdogs but the guardians of justice; for you would show yourselves to be not dogs, but men.

Thank you, Mr. Speaker.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I should like to commence by congratulating the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) for raising this important subject not only on this occasion but in a number of other Parliaments as well. May I say at the outset, on behalf of the New Democratic Party, that we would support the reference, at the very least, of the subject matter of this bill to the Standing Committee on Justice and Legal Affairs. I certainly hope hon. members opposite will agree at least to support the reference of the subject matter to that committee.

I say that we would support the subject matter being referred because, quite frankly, we have a number of concerns with regard to the bill as it is presently worded. There are some segments and areas of the bill with which we must take issue. There is certainly a fundamental safeguard which we believe should be inserted in the bill, which I will be coming to in short order.

It is clear that the matter with which we are dealing today is one of central importance to all Canadians because it essentially touches on two fundamental freedoms which in some senses tend to clash in this particular instance. These freedoms were both won through long and hard struggles. I refer, of course, to freedom of the press, on the one hand, and the right of the accused to a fair trial, on the other.

We have to attempt essentially to pick between these two principles and, in doing so, to come to a compromise between them, because we are really talking here about a matter of compromise. If we were to forgo the one and accept totally the other, we would be permitting, I suggest, a very serious miscarriage of justice to take place.

What the bill proposed by the hon. member attempts to do is arrive at a compromise between these two important principles. Unfortunately, I do not believe he has succeeded in doing that in the wording which is before the House at the present time. As I have said, I certainly sympathize with the objective of the bill, which is to ensure that an accused person has the right to a fair and unprejudiced trial which is decided strictly on the basis of the evidence presented before the court.

Of course, as my hon. friend has stated, the fundamental principle which must govern in criminal trials is the overriding presumption of the innocence of all accused. We have seen too many cases in which there have been reports of accused persons who have subsequently been acquitted, having had their reputations tarnished and in some cases their whole livelihoods destroyed as a result of the kind of reporting which has taken place regarding the crimes which they were alleged to have committed. I need only point to the most recent instance of this in the case of Alan Spraggett, a gentleman who was charged with very serious offences in the province of Manitoba. He lost his job, his reputation was severely tarnished, and he was subsequently acquitted by a provincial court judge. He was said to have been an honourable man, as I recall the words of Magistrate Dubienski in Manitoba.

● (1730)

In Canada we are fortunate to have won these fundamental principles of freedom of the press and the right to be presumed innocent to which my friend referred, in the Canadian Bill of Rights. We have to guard these principles. We have to safeguard them against both the state and the police. We have to safeguard against the effects of malicious, irresponsible or sensational reporting and comment. I appreciate that is the intent of my hon. friend's bill. Certainly I welcome his concern and share his concern for this vital right of Canadian citizens.

My hon. friend alluded to some of the conflicts within the various civil liberties groups on this question. It is not an easy question. Certainly for that reason I believe it would be inappropriate to refer the bill in its present form to committee. However, I think the fact that there is such a controversy and such a widespread interest in the subject matter of this bill warrants the referral of the subject matter to the Standing Committee on Justice and Legal Affairs.

However, I have stated that we have some concerns. I should like to just deal briefly with those concerns. I have no intention of speaking for the full time allotted to me because I

hope members opposite will see fit to have this bill moved on to committee. The concerns I have with respect to the bill are fundamentally this: first, that there is no option on the part of the accused to insist in some cases on publication of the name of the accused. If this bill is aimed at protecting the rights of the accused, then surely it should be up to the accused to waive the provisions of non-publication. For example, if the accused believes that he or she is being harassed or intimidated, that certain aspects of the judicial process are unsatisfactory, and wants his or her name to be published together with the circumstances, it is my view that that should be at the option of the accused, because it is a bill which is essentially aiming at protecting the rights of the accused. If this bill came to committee I suspect my hon. friend would not be adverse to such a provision being inserted in the bill, but he will appreciate that as it stands now there is no such protection afforded to accused persons.

The concern expressed not only by the Canadian Civil Liberties Association but by others is precisely that this would tend to blanket the proceedings of the court and make the court proceedings more secretive. I would suggest that by amendment along the lines I have proposed, permitting accused persons themselves to have the final word as to whether or not there should be publicity of their trials, would adequately deal with the concerns these various civil liberties groups have expressed. I should say I have taken the opportunity to canvass a number of people who have indicated a concern with the bill in its present form. Without exception they have stated that with the amendment I am proposing the bill would be satisfactory. We certainly feel the persons who are accused of an offence must be assured the right to full public scrutiny of the process of law. They must be able to appear publicly to show that they have not been harmed, for example, while they were being held in custody. They must be able to have the evidence and the circumstances of their case heard publicly if they so desire, to ensure that the evidence and the process conform to the due process of law.

What we have to avoid at all costs is any suggestion that there will be any increase in the arbitrary powers which already exist in the prosecutional arm of the state. For example, we have seen the abuses of section 41(2) of the Federal Court Act. Certainly we on this side welcome the intention of the government to repeal that particular section of the Federal Court Act which has been abused far too frequently by previous governments and, I might add, by the present government, unfortunately by the present Secretary of State for External Affairs (Mr. MacGuigan) only two months ago.

Those are the kinds of provisions which we believe should be removed from the present statutes of the country. On the other hand, as I have said, we recognize the concern on the part of those persons who are accused of criminal offences that too often their trial is conducted in the newspaper, or on television, or over the radio, and even if they are found to have been not guilty of the offence with which they are charged, that in the mind and in the eye of the public in fact they are guilty, with all the consequences that holds in terms of their jobs, their reputations, and the reputations of their families, friends and associates in the community. We recognize that that is a concern with which this particular bill is attempting to deal.

I will just pass over some of the comments I was planning on making with respect to the Official Secrets Act and trials that are being held in secret, because I think it is important the subject matter of this bill be referred. As I say, we are concerned about the question of the right of the accused to waive provisions of the bill. Also I would like to express at this point a concern with the wording of the bill. It would also ban the publication under all circumstances of the names, addresses or occupations of accused persons even after their trials have taken place, if they were acquitted or if they received an absolute discharge or pardon. Again I think my hon. friend would recognize some of the difficulties in these aspects of the bill. For example, in the case of pardons, they are not granted in some cases until a number of years after the accused has been convicted of an offence. According to the wording of the bill as it stands now, if the press reported the name of the accused in the interim between the time of conviction and the time of granting of pardon, they would be guilty of an offence. I am sure that is not the intent of the bill, but once again there are problems in the drafting of the bill as it now stands.

At this point I am not persuaded that it is a wise step to take to deny the press the opportunity to publish the names, occupations, and other relevant details of an accused person after the trial has taken place. I recognize that some of the unfortunate aspects of publication which are dealt with before the acquittal still arise here, but I believe at least at this point that the interests of the freedom of the press in that particular instance outweigh the other concerns that have been expressed. Following a trial, whether that trial results in an acquittal or a conviction, the press should be free to report on the outcome of the trial in its fullest detail.

Also I believe it is important that this be done and that there be an opportunity to report in the case of absolute discharges. I note there is no reference to conditional discharges here, but it is important that this be done in the case of discharges or acquittals, because frequently it is the case that trial judges, while acquitting an accused, or giving an accused an absolute or conditional discharge, will make certain comments with respect to the conduct of the accused. They will say that they are acquitting the accused but only on the narrowest of technical grounds. There may be important statements in the judgment of that particular accused which the public should know. While they may have been acquitted, in some instances the judge will state quite clearly his or her disapproval of the conduct of the particular accused. Surely it is the right of the public to be made aware of those kinds of concerns on the part of our judiciary.

I should like to conclude by saying that I would hope, because of the importance of the subject matter which is before the House today, which has been raised in a number of instances, and has been widely discussed by a variety of important institutions and organizations in our society, that

the subject matter of this bill would be referred to the Standing Committee on Justice and Legal Affairs. I am confident, if it is referred to that committee, that some of the problems I have raised in connection with its drafting will be cleared up, and those problems, having been cleared up, that we on this side of the House would be prepared to support the amended bill.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I congratulate the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) for bringing this bill forward. The matter is one which might be considered non-partisan, an act to amend the Criminal Code reporting names of accused. At the outset I would merely suggest that there are many points of view on it and that there are many different ways of looking at it. I hope to bring forth some of those views this afternoon.

Also I should like to say that the hon. member for Burnaby (Mr. Robinson) talked about the civil liberties involved and the balancing of various freedoms. This, of course, is something that is of the utmost importance. We have to consider freedom of the press as well as the freedom to which the individual is entitled. When the hon. member talks about the Secretary of State for External Affairs (Mr. MacGuigan) using section 41(2) of the Federal Court Act, I would merely say to him that as long as the law is there it can be used, although it is my understanding that there will in fact be a change, and that particular section 41(2) will probably be repealed in the not too distant future.

● (1740)

With regard to the bill before us today, it seems to me at the outset it is necessary to consider the validity of the premise on which the bill is based. The explanatory note in Bill C-213 states:

> The purpose of this bill is to recognize more fully the time-honoured right of an accused in Canada to be presumed innocent until proved guilty by prohibiting the media from identifying an accused unless and until he is convicted.

The validity of this premise is in doubt, for a number of reasons. First, I would say it assumes that trial by the media is a general occurrence. You may or may not agree with this, but I think that is a fair assumption that can be made. Second, it assumes that the present laws and processes in the criminal justice system are inadequate to prevent those rare cases of excessive or improper pre-trial publicity, which is obviously not the case. Third, it ignores the need to balance the competing social and legal interests which are involved, namely, the potential harm to the individual accused's reputation or economic interests versus society's overwhelmingly great interest in ensuring that the operation of the criminal justice system is carried out with the greatest publicity and scrutiny, with some few well recognized exceptions such as juvenile proceedings, national security, and matters of that nature.

Professor Allan Mewett lists six reasons justifying the overwhelmingly greater social and legal interests in ensuring public trial, including media publication. I will just mention them to you. They are, first, an open trial provides some safeguards against unjust or unfair proceedings against an accused; second, it militates against the use by the executive of the courts to achieve its own ends; third, it reduces the possibility of any abuse of judicial power; fourth, it maximizes the chance of equal and impartial administration of justice to all accused persons; fifth, many aspects of the enforcement of criminal law, such as general abhorrence of certain acts or general deterrence, demand that the public be informed; and, sixth, witnesses who have to give their testimony in public will be more reluctant to give false evidence for fear of exposure.

Coming back to the other details, the validity of this premise is in doubt because it gives undue weight to, or alternatively confuses the effects of publication of the identity of persons charged in relation to the consequences such persons must or are likely to suffer, although their innocence is subsequently established, because it is not possible to prevent total dissemination of the knowledge of charges and the identities of persons charged; it is not possible to prevent persons who know of the charge and identity of persons charged from drawing wrong conclusions; it is not possible to prevent some damage to the reputation or economic interests of persons who are charged with criminal offences, whether or not media publicity takes place, even if they are subsequently proven innocent; and, it ignores the educative, moral and deterrent effects of openness of the criminal justice system to the public.

It would seem that the real objective of the bill is concerned with the protection of the reputation and economic interests of a few persons who, having been charged and having received some publicity in the media, are subsequently found to be innocent or, at worst, who although convicted either receive an absolute discharge or a pardon, as the case may be. The assumption that the presumption of innocence is not being honoured sufficiently is incorrect. The presumption of innocence is too well entrenched in the Canadian criminal justice system to be assailed for the reasons stated in the explanatory note of this bill and, as will be seen later, the consequences of implementing these proposals.

What about the content and effectiveness of Bill C-213 itself? There is a blanket prohibition in the terms proposed which is not unusual in the Criminal Code or other federal statutes, such as section 142(2) of the Juvenile Delinquents Act. However, one must consider whether the interests which prevailed, in the case of the Juvenile Delinquents Act, for example, over the wider social and legal interests, should now be extended to provide no publicity in all criminal cases.

A total prohibition against media publication for all criminal offences might not be regarded as objectionable as, for example, a total prohibition excluding the public from all criminal proceedings. However, a number of factors have to be considered in the context of the effectiveness of this version of prohibition, the effect of this prohibition on the wider social and legal interests presently served by media publication, and the difficulties of application or implementation.

The true meaning of public trial is inextricably linked to full media publication of all the particulars sought to be prohibited

by this very bill. This is not to say that the law does not recognize specific exemptions to the principle of publicity which are founded on specific public interest issues which are deemed of a higher order than the interest of publicity. Unfortunately, Bill C-213 creates a blanket prohibition without addressing the issues and concerns enumerated above. Such a blanket prohibition would derogate from the principle that justice must not only be done but must manifestly be seen to be done.

The total prohibition will not preclude some dissemination, because word of mouth and court room spectators will still be able to connect the accused and the charge; the facts of the charge or proceedings will continue to be the subject of publication; and the publication of the facts without particulars enabling identification may increase interest and greater speculation and rumour-mongering.

The consequences of these developments may continue to introduce a degree, albeit less than media publication, of the harms which Bill C-213 is intended to remedy, namely, protection of reputation and prevention of prejudice. In fact Bill C-213 may result in new prejudices; for example, completely innocent people may be mistakenly regarded as being involved or even as the unnamed accused as a result of speculation unchecked by fair and accurate media publication. This tendency may progress to such an extent that it brings the system of justice into disrepute.

The beneficial effects of openness, made manifest by media publication, accrue to the public, the accused and the prosecution, and would be greatly diminished by virtue of the prohibition in Bill C-213. The accused and the Crown are assisted by openness to the extent that witnesses are constrained to be more truthful, are induced to come forward, and reputations may also be vindicated. Concealing the name of a person whose innocence has been established can work to his great disadvantage as well. In this respect Bill C-213 could be regarded as inconsistent with its stated objective, namely, the furthering of the presumption of innocence.

Furthermore, Bill C-213 would preclude media disclosure of tactics which verge on harassment or vexatious proceedings such as multiple charges, multiple prosecutions, and unmeritorious appeals against acquittal.

Disclosure of misconduct by law enforcement personnel which is collateral to the commission of the offence charged could also be affected. In cases involving criminal misconduct of law enforcement personnel, and there are recent examples of that with regard to the detectives in the Lorenz case, for one, who forged affidavits, and also certain revelations by the McDonald commission, who are charged, plead guilty and obtain absolute discharges, the media would be precluded from identifying the culprits. This would have a deleterious effect on general and specific deterrence with a concomitant devastating impact on public confidence in the criminal justice system.

The difficulties of application or implementation are considerable. In the first place there is no reason why a convicted person should be protected from public view merely because he has received an absolute discharge. In addition, inequality in the treatment of persons must necessarily arise. Consider the case of persons convicted of the same offence. Those who receive an absolute discharge get the benefit of prohibition, while persons sentenced to other nominal dispositions do not receive the same protection.

● (1750)

In relation to the application of the prohibition in cases where a person who is convicted receives a sentence—that is, other than an absolute discharge—publication would be permissible notwithstanding that that person consequently receives a pardon. Publication, having taken place before the pardon was granted, the intended purpose of Bill C-213 will be frustrated in at least this respect. On the other hand, why should the fact that a full pardon has been granted not be published, since publication may inure to the individual's benefit by vindicating him? Publication also ensures society's interests by guarding against unwarranted use of the power to pardon. For example, there is the newspaper coverage of a Newfoundland case and the Mississippi case where an outgoing governor sold pardons.

The prohibition, as drafted, would also extend to civil proceedings which arise out of the commission of an offence. In particular, proceedings for false imprisonment, malicious prosecution, defamation, assault and battery, etc. could be affected. How would law reports, law journals, bar association publications and so forth be affected by the blanket prohibition contained in Bill C-213? Would the minutes of convocation of law societies be prohibited from naming solicitors disbarred and charged after disciplinary proceedings? All of these questions are affected by the definition of newspaper in section 261 of the Criminal Code. In view of the outcomes enumerated above, it appears that Bill C-213 is inimical to its stated objectives, that is, the enhancement of the principle "innocent until proven guilty". Further, its destructive effect extends to harm other primary values of the criminal law.

Consider the question of the administrative feasibility of the proposal contained in the bill. It is not possible to give a precise answer to this question. However, it seems reasonable to assume that it will involve increased screening by the news media, with the result that enquiries to the courts should increase. There is likely to be an additional case load in view of the nature of the activity and scope of the prohibition.

Another matter to be considered is the compatibility of the bill with existing legislation and regulations, as well as its impact on present programs and mechanisms. The right to public trial is well established historically in both the common law and legislation. The Canadian Bill of Rights, section 1(f) provides for freedom of the press in Canada. It is likely that the media will regard this as an attempt to restrict this fundamental right. In addition section 2(f) of the Canadian Bill of Rights, which gives every person charged the right to a fair and public hearing, could be construed as enabling publication of the particulars sought to be prohibited.

On the other hand, a trial in public is not the same as a trial that may be reported in the newspaper. There already exists in

the Criminal Code provisions which either restrict absolutely any publication, such as section 441, and 141(2), or provide the court with the power in appropriate cases or circumstances to limit or preclude publication of all or part of the proceedings including the identity of witnesses and accused persons. I have mentioned sections 442, 457.2, 467, and 470. These provisions are directed toward the problem of newspaper or radio coverage of certain matters. Bill C-213 will, by implication, have the effect of limiting those sections of the Criminal Code which now give the court a discretion to prohibit newspaper publication or radio broadcast in so far as the name of an accused person is concerned.

It should also be noted in this context that the International Covenant on Human Rights, to which Canada is a signatory, Article 14(i), provides that:

> 1) All persons shall be equal before the courts and tribunals. In the determination of any criminal charge against him, or of his rights and obligations in a suit at law, everyone shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal established by law. The press and the public may be excluded from all or part of a trial for reasons of morals, public order (ordre public) or national security in a democratic society, or when the interest of the private lives of the parties so requires, or to the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice; but any judgment rendered in a criminal case or in a suit at law shall be made public except where the interest of juvenile persons otherwise requires or the proceedings concern matrimonial disputes or the guardianship of children.

Article 14(1), which embodies the principle that the press shall be admitted and be entitled to publish, recognizes specific exceptions to the principle of publicity which are founded on specific public interest and which are deemed to be of a higher order than the interests of publicity. Bill C-213 creates a blanket prohibition which could be regarded as restricting the application of this article. The mischief which Bill C-213 now seeks to redress is precluded by the present law of contempt of court.

Bill C-213 creates an offence of strict liability. The desirability of creating such an offence should be carefully considered in the light of the recommendations of the Law Reform Commission in their report "Our Criminal Law", which was to the contrary. Finally, in this context, it should also be noted that the Supreme Court of Canada will soon be considering an appeal involving the right of the public to all information relating to search warrants.

We must also consider the relationship that the proposal may have to any planned legislative programs of the Department of Justice. In the ongoing review of criminal law the Department of Justice has identified all aspects of the issue of pre-trial procedures, including publicity and the law of contempt of court, for review in conjunction with the Law Reform Commission as part of its criminal law reform program.

In the circumstances and for the reasons outlined, the Minister of Justice (Mr. Chrétien) considers the passage of this proposed legislation inappropriate at this time.

Mr. David Smith (Don Valley East): Mr. Speaker, as this is my first opportunity to speak in the House, I would like to congratulate Madam Speaker, through you, sir, on her election to the chair. I have no doubt that she will have a long and distinguished tenure in that great office. I do not intend to speak about my riding, but Don Valley East is a cross-section of people from a typical suburban riding in Canada. I consider it quite an honour to be the second member to represent that riding. The first representative of that riding was in this House for a very brief period of time.

Bill C-213 is an interesting bill and one which attempts to deal with real and genuine problems. However, I think that the issue is one which certainly warrants a more thorough and comprehensive bill to anticipate ways in which some of the very many problems could arise on this issue and to deal with those problems.

Mr. Dick: Mr. Speaker, I rise on a point of order. Since the present speaker feels that this bill should be given more of an airing and a better chance, rather than talk it out in the remaining few minutes, would the hon. member move that the subject matter of the bill go to the Standing Committee on Justice and Legal Affairs?

Mr. Smith: Mr. Speaker, I think that the bill has a great deal of deficiencies. What is really needed is a bill that deals with the matter in a much more comprehensive way. I do not think that it would serve much purpose to have this bill in its present form go to committee.

Mr. Dick: I said the subject matter.

Mr. Smith: I understand what my friend is saying. One very fundamental principle which has been held by the courts for many years was stated in the famous case *Scott v. Scott.* The case was held in the House of Lords in 1913, and Lord Shaw stated:

> Civil liberty in this kingdom has two direct guarantees; the open administration of justice according to known laws truly interpreted and fair constructions of evidence; and the right of Parliament, without let or interruption, to enquire into, and obtain redress of, public grievances. Of these, the first is by far the most indispensible; nor can the subjects of any state be reckoned to enjoy a real freedom, where this condition—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has expired.

Pursuant to Standing Order 54 I do now leave the chair for the House to revert to Committee of the Whole House.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

INCREASE IN MAXIMUM MONTHLY AMOUNT OF SUPPLEMENT

The House resumed consideration in committee of Bill C-16, to amend the Old Age Security Act—Miss Bégin—Mr. Ethier in the chair.

The Deputy Chairman: It being six o'clock, I do now leave the chair until eight o'clock.

AFTER RECESS

The Committee resumed at 8 p.m.

The Deputy Chairman: At six o'clock this evening before the House rose we were in Committee of the Whole and on clause 1 of Bill C-16, with the hon. member for Winnipeg North Centre having the floor. Was I correct that the hon. member for Winnipeg North Centre wanted the floor?

Mr. Knowles: Mr. Chairman, I wanted to take the floor for just 60 or 75 seconds to remind the minister of the three points on which I should like her to comment. The first has to do with the base for income for our pensioners, bearing in mind my suggestion that it be related to something like 125 per cent of the poverty line.

The second point I raised had to do with the spouse's allowance and the earnest hope that something better than that would be produced, particularly for women in that age bracket.

My third point was to go along with the hon. member for Victoria in expressing the hope that we can do something soon about reciprocity between this country and the United Kingdom in the matter of pensions. Perhaps the minister could answer those three points now.

Miss Bégin: Mr. Chairman, I should like to thank the hon. member for Winnipeg North Centre for refreshing our memories after suppertime. In answer to the first question which has to do with a possible review of the base for establishing OAS rates, I would point out that in most, and I think all, the numerous studies on pensions recently made public in Canada in the last two or three years, which will be used at the national conference on pensions, it is never recommended to increase the OAS, except in the presentation by the Canadian Labour Congress. The emphasis is always on increasing the GIS, the supplement to those in need.

I think it is fair to answer that at the conference in the fall the theoretical concept of an ideal OAS in Canada could be part of the discussion and would surely be touched upon by some participants, although if I answer the hon. member in the cautious way I am doing, it is to make sure we are not raising expectations right now.

I should now like to make a correction to the figure I used earlier this afternoon which was questioned by the hon. member for Victoria. When referring to the NDP election promise regarding pensions I used the figure of $2.5 billion as the annual cost of raising the basic pension by $40. That annual cost in fact applies to the proposal made by the hon. member for Winnipeg North Centre that the basic OAS could be 125 per cent of the poverty line for all Canadians. That would cost $2.5 billion. I am answering that this matter will surely be part of the discussions, but it will not be the objective of the conference. I hope I am being honest and open in that matter.

Mr. Knowles: Mr. Chairman, before the minister leaves that first question I wonder if she would say another word. She is perfectly justified in assuming that I was asking for all pensions to be 125 per cent of the poverty line, but I said that I was speaking in the context of this legislation which carries with it the old age security and the guaranteed income supplement. I was asking whether consideration would be given to bringing the level arrived at by adding GIS to OAS up to 125 per cent of the poverty level. I was asking whether consideration would be given to that as a basic concept.

Miss Bégin: Mr. Chairman, the estimate of $2.5 billion corresponds to an increase in both the OAS and the GIS to make sure that everybody is 25 per cent over the poverty line. Am I answering clearly?

Mr. Knowles: Mr. Chairman, that would be lovely—that would suit the way I would like it, but I have been prepared to live with what we have now done. I am asking that the amount of the GIS be such as to bring those people who are on it to that level. Many people who are not on the GIS are at that level already. I am asking that those who are on a combination of OAS and GIS have 125 per cent of the poverty line. I am not particularly concerned about the figure. I am asking whether consideration is being given to that as a basic concept.

● (2010)

[*Translation*]

Miss Bégin: Mr. Chairman, I am going to express my views in French, perhaps for the sake of clarity.

There must be some misunderstanding about the words because I thought I had answered the question put by my colleague. If we increase the basic pension and the supplement by 125 per cent, we increase the incomes of all those who are living in poverty today. So we increase in fact only the supplement, which will cost $2.5 billion a year. Even if we talked about—

[*English*]

OAS-GIS—with a dash in between—does not change a thing to the OAS. The upgrading of the GIS to put everybody above the poverty line, say by 25 per cent, would cost $2.5 billion. I hope I am clear on that point. The proposed increase to the OAS for all Canadians over the age of 65 by some $40, which was the electoral promise of the NDP, would cost a little over $1.1 billion or $1.2 billion. I do not remember the exact figure. I am citing that figure because I think it is important to describe the order of magnitude.

The next question was: do we intend to do something for those people between 60 and 65 years of age who are not eligible for the so-called spouse's allowance? This means for the majority of seniors 60 to 65 who are in need because of lay-offs, loss of jobs, sickness, handicapped and so on or for

whatever reason I think the thrust of your question was what is our priority. That is very important.

As a possible first step for the future I mentioned those between the ages of 62 and 65. In our previous work in this party it became very clear that at age 62 there is a net decrease of seniors actively involved in the labour market for all of the reasons that were previously mentioned, that is, either because of bad health conditions, technological lay-offs, etc. At age 62 there is a statistical sharp decline in labour attachment. Therefore we think that whenever Canada is able to do something about this situation it could be at that age first. But the problem remains the same, that is to say, those aged 60 to 65 who are in need.

We had estimated at the rate of pensions and the supplement, because that means pension plus supplement, this monthly $35 that we will add in July will cost $890 million. I do not hide behind figures. These are the barriers we have to overcome. That is the money we have to find. I see that the Minister of Finance has left the chamber. The minister of state was here. However, we all understand. In terms of objectives, the answer is yes, we would like to do something. When, we cannot say. However, before doing that it appears to me as Minister of National Health and Welfare that there is no way Canada can move to do something for those who are not yet 65 years of age but in need of help and a pension, until those who are over 65 are all above the poverty line.

Tonight we will pass a bill which will cost either $520 million or $525 million a year. We still need $730 million just to bring all of those who are more than 65 years of age above the so-called poverty line. For me, that is our next step as soon as the economy permits it; literally as soon as possible. After all of those who are over 65 years of age are no longer below the poverty line, we will look at those who have not yet reached the age of 65. However, I do not want to raise false expectations. It seems to me that we are not in a position to do so in the present economic circumstances.

As to the third point, which concerns the reciprocal agreement between the United Kingdom and Canada, we have developed a draft agreement. New members may not be aware of that. We had a draft agreement but, to put it in blunt words, and I hope that the officials will not have a fit about this, Great Britain does not want to pay for any form of indexation of their own pensions to former U.K. citizens now resident in Canada. We think they should pay a form of indexation.

When I was a minister early in 1979, the hon. David Ennals was involved in a meeting with officials. I understand their position, that when they were in power they did not succeed any more than we did and that is why I am putting it very openly to the House of Commons. After all, we all meet the High Commissioner at times and we may bring this request to him of about 23,000 people who are affected under this draft agreement.

Mr. Kilgour: Mr. Chairman, I would like to speak briefly on this bill and I will start by asking the minister a question. In doing so, I would like to salute her. I think she is sincerely doing the best she can. The $35 envisaged in this bill is the best that she thinks she can get by her colleagues. I mean that most sincerely. I do not think anyone on that side of the House would more like to help pensioners than the Minister of National Health and Welfare.

I would like to put a number of premises, all of which I believe to be correct, and hope that the minister will answer my one question. I have here an article from the Ottawa *Journal* dated January 24, part of which reads:

> But if you are female, single and elderly, life has become a cruel joke. Three out of four unattached individuals over the age of 65 living in poverty are women, a brief on retirement policies prepared by the Canadian Council of Social Development points out.

As a second premise, if I can put it that way, I would like to cite an article from *The Toronto Star* written by Dian Cohen, dated April 24, 1978. She says:

> Irwin Gillespie, an economist professor at Carleton University in Ottawa has long been in awe of the Liberal claims for their income redistribution programs.

Further on she concludes by saying:

> In fact, Gillespie concludes that budgetary policy has provided larger benefits for the highest-income families than for the poor. On average, a poor family was $2.25 better off after all the budgets were implemented during 1970-77, while an average rich family was $3,710 better off.

That is a second premise leading up to a question.

Third, I will quote an article from the Winnipeg *Free Press*, dated November 17, 1979, written by Fred Wood. It reads:

• (2020)

> Forty per cent of those who are over 65 years of age depend solely on their old age security pensions and guaranteed income supplements.
>
> Besides the fear of runaway inflation, another spectre haunts their minds. They remember the devaluation of paper money in several countries during the inflationary period following the First World War. Some once-sound nations were forced to cancel their currencies entirely and start all over again, or to trade large numbers of their monetary units for lesser numbers of units.

Fourth, I wish to quote from a brief from a volunteer organization called Canadian Pensioners Concerned, Alberta Division:

> In Canada there are more than 2,000,000 men and women 65 years of age and over. Several hundred thousand more are approaching pensionable age. Early in 1975, 23 per cent of pensioners were completely dependent on old age security (OAS) pension and guaranteed income supplement (GIS).
>
> Another 34 per cent were receiving OAS and partial GIS. So 57 per cent, more than half of all old age pensioners, are being forced to live on incomes far below the amounts that governments themselves call a minimum wage—
>
> The 1949 dollar had shrunk to 86 cents in 1954; to 79 cents in 1959; to 72 cents in 1965, and in 1977, that 1949 dollar had shrunk to 36 cents! With these reductions in our savings and our income, our ability to buy the things we need becomes more and more limited.

I understand that if inflation in Canada continues to rise at the rate it has in the past decade, by the year 2015 one will require a minimum income of $1 million merely to exist in Canada. People have asked me, and this is not aimed so much at the minister as at her colleagues, how the government can have so many policies which foster inflation on the one hand, fostered in part by the deficit of $14 billion, and from time to time give an increase of $35 to old age pensioners which, in my part of the country, will not buy more than 35 hot dogs. How

can they expect pensioners to get by with the same decency the rest of us expect?

I again quote from their brief:

The reasons for our senior citizens' plight should not be overlooked: two world wars, the great depression, unemployment, low wages and wage freezes, the drought, little or nothing in the way of pension plans or hospital-medical insurance plans as we know them today; no family allowances or unemployment insurance; no student loans, grants, and scholarships; no local improvement plans or opportunities for youth, etc., etc.

Now, inflation and high taxes have wiped out or drastically reduced the purchasing power of whatever savings had been accumulated.

Yet these citizens paid taxes for half a century and more, worked or fought for their country, raised and educated families, helped to build Canada into a great and rich country.

The Canadian Pensioners Concerned sent out a question naire to pensioners in Alberta. The first question was:

Do federal pensions meet basic needs?

Fifty-four per cent replied no and made comments such as:

The quarterly increases are far too small to keep up with the rising costs of rents, utilities and food. Without other income the pensions would be completely inadequate.

Question No. 2 read:

Are federal income tax exemptions and deductions for those over 65 adequate?

Approximately half said no. I should point out that this questionnaire is two and a half years old.

Fifth, I wish to quote from a document by Statistics Canada entitled "Canada's Elderly." I quote from page 16, I believe:

In 1975, the average income of families with a head 65 plus was $10,171. That is slightly less than two-thirds of the average income of all families. The average income of unattached individuals 65 and over was $4,138, while that for all unattached individuals was $6,595.

Finally, the people in the part of Edmonton I represent are overwhelmingly in favour of a proper pension system for pensioners. I spoke to approximately 700 of them. Almost without exception they said such things as "pay them a decent income", or "they built our country and deserve to live well in retirement." Virtually everyone in Edmonton-Strathcona I spoke to personally had nothing but good will toward older people. My question to the minister is:

[*Translation*]

I can say it in French: after all that, after all the problems faced by people who are 65 and over, do you think what we are doing through this project is enough?

[*English*]

Miss Bégin: I thank the hon. member for the question.

The Assistant Deputy Chairman: Before recognizing the minister further, hon. members will recognize that the usual tradition is to express themselves through the Chair, if that is acceptable, rather than directly to the minister or individual members.

Miss Bégin: Mr. Chairman, I think the answer to the question finally put forward by the hon. member for Edmonton-Strathcona is very clear and simple. He probably thinks that by the very sarcastic tone of his speech and question that it is going to embarrass me, but it will not. The answer is no, it is not enough. We have done more and we are going to continue to do more.

Following all the quotes which the hon. member gave to the committee, quotes which in fact established the poverty which still exists among some senior citizens in Canada, I ask him where was he when his party formed the government? To my memory, only one bill was passed by the Conservative government, and correct me if I am wrong, with regard to senior citizens. That bill had to do with people continuing to receive the spouse's allowance until they reached age 65. The way the bill was proposed by the Conservative government, it would cost $6 million, *je répète, six millions*. Our proposal is $525 million.

Out of their big heart and out of the public purse, they were able to obtain from the hon. member for York-Peel the huge sum of $6 million. The hon. member for Winnipeg North Centre and members of the opposition forced them to raise it to $10 million. The hon. member may have forgotten that. We on this side do not forget. We accepted it. Every extra penny for our senior citizens is one more step in the fight against poverty. However, where was the hon. member's caucus? How come he is suddenly so pure when he could not impress that on his caucus?

Some hon. Members: Hear, hear!

Miss Bégin: The hon. member can make his speeches about how good we should be. The answer is yes, there are still things to do. I am very pleased that he is a member of the committee and in the group that will fight for these people.

Mr. Foster: Mr. Chairman, I am glad to have the chance to say a few words on Bill C-16, to increase the guaranteed income supplement by $35 a month per household. I want to congratulate the minister on getting this bill into the House so soon since the election. Hopefully, if none of us talk too long tonight we shall see this bill pass through the committee and get on to third reading. The bill is in the best tradition of the social security programs which Liberal governments have put in place through the years, such as the family allowances legislation, the indexing of old age security pensions, rent geared to income housing, medicare, and a host of other things.

● (2030)

The most impressive aspect, to my mind, was that the minister wanted not only to see this bill passed but she also said she was not satisfied that we are doing enough for our seniors. I believe that is the way most of us feel. Although this increase represents some $525 million in cost to the treasury, it is probably a small enough amount when the individual senior citizen receives the increase of $35 per month per household in July.

It is characteristic of most of our senior citizens that they do not demand much; they have gone through the difficult years

of the depression, often having raised large families, and many of them have learned to live very frugally. But large numbers of them are hurting and to see this increase put in place would be a welcome sight.

In her final speech on second reading, the minister set out her other priorities, that is, to see implemented when the economy expands sufficiently to afford it—for example to see all levels of social security are moved up to at least the poverty line. I was glad to hear her talk about the possibility of a national convention on pensions. I think that is extremely important.

Last year when I was campaigning in the general election there was a strike in progress at Inco in Sudbury. Of the people who were on strike there, some of them, at least, were working at the paper mill in Espanola. I had occasion to talk to a few of them and they were saying, "Gee, we really like this town; we would like to stay on and work here permanently, but we would have a problem with our pensions which are tied to the Inco mines in Sudbury some 40 miles away, and we cannot change now". Well, it seems to me it should not be beyond the ingenuity of man or of the elected representatives in the various legislatures of Canada to make these pensions more portable so that people would not be stuck in one industry or in one spot just because they had been there for 15 years or 20 years. I would hope that in future people will not be caught with unsatisfactory pensions or pensions which place them in a difficult position.

The minister also mentioned the situation of people in the age group between 62 to 65. I am pleased, as a member on this side of the House, to see that our minister is not only putting forward a very constructive program but that she is also looking to the future, and keeping in mind the progress which needs to be made. The hon. member for Victoria talked about the "auction" that takes place in elections. I should like to comment on that because it seems to me that in our political system parties sit down, as we did during that election campaign, and draft their platforms and policies. In our party we drafted a platform of proposals relating to social and economic fields, energy, and many other matters. These were placed before the people in due course. One of these proposals to which the greatest priority attached was the measure which is before the House tonight to increase the guaranteed income supplement by $35 a month.

Mr. Nielsen: You are holding up the bill.

Mr. Foster: We not only put that forward as a proposal but we identified the source of the necessary funds. So we were not just talking about pie in the sky. I think it is typical that two or three weeks after that proposal was announced—of course, it was worked out by our policy committee in December and it was announced some time in January—lo and behold, the New Democratic Party came along with their proposal for a $40 a month increase. That proposal was incredibly more expensive than ours because it would have applied across the board, whereas we were considering the needs of those in the lowest income brackets and looking at it in a positive way, because we believed we were going to form a government and were going to put forward a practical program. We needed to know that it would be possible to raise the funds to make it work.

Mr. Nielsen: You are holding up the bill.

Mr. Foster: So it is significant that the hon. member for Victoria should have been talking about a bidding, or an auction proposal. Surely that is what politics is about. You put forward your proposals to the people. If they elect you, and you implement them, you are fulfilling your obligation as a party or as an elected representative. It is obvious that members opposite did not put forward the right proposals or did not offer the proper priorities to attract the support of the people.

Mr. Nielsen: Again, you are holding up the bill.

Mr. Foster: I am glad to see this bill before us tonight. I am glad to see it put in place for our senior citizens in time for them to see the benefits in July. I was glad the minister ticked off the hon. member for Bow River for his comment about this bill forcing senior citizens to become divorced because the benefit was applied on a household basis.

Mr. Nielsen: Why are you holding up the bill?

Mr. Foster: It seems to me that this is one of the most ridiculous suggestions I have ever heard.

There is one question I should like to put to the minister and it is this: I have received many complaints because the GIS is indexed whereas programs such as the Ontario GAINS program are not indexed. When the guaranteed income supplement is increased quarterly following the inflation rate, the extra amount does not benefit the senior citizen receiving the pension because the GAINS benefit is reduced. I should like to see put in place some provision whereby the indexing is passed through, or, if that is not possible, in a bill such as this I should like to see an arrangement made with the government of Ontario or any other government where that kind of practice is followed to ensure that if there is an increase of $10 or $15 in the GIS due to indexation it goes to the individual pensioner and that the provincial pension is not reduced by a similar amount. Very often those programs are not indexed on a regular basis so the pensioner ends up coming to the elected representative saying, "We got an increase from the federal government but our provincial GAINS pension was reduced by a similar amount, so we do not get any benefit." It seems to me this is a cruel, unfair and insensitive way for the provincial government to operate. If there is an increase in the rate of inflation, this benefit should be passed to the pensioner and I hope the minister will take some action to stop the present unfair arrangement by the provincial government.

• (2040)

[*Translation*]

Miss Bégin: Mr. Chairman, may I take my colleague's question as notice for a few minutes in order to obtain some

details and to be in a position to give him a more accurate answer.

[*English*]

Mr. Hawkes: Mr. Chairman, I have a small series of questions I would like to put to the minister. Am I entitled to put a small series of questions—stand up and sit down—and I will be recognized?

The Assistant Deputy Chairman: The hon. member has 20 minutes, and he can use the 20 minutes in any way he sees fit, subject to the normal rules in the Standing Orders.

Mr. Knowles: He can't dance a jig.

Mr. Hawkes: I am sure the minister would not want to leave the house with the wrong impression, but I think she did, perhaps inadvertently, because she was not familiar with the defeated Conservative budget or the bills introduced by the Conservatives into the House in the last Parliament. However, if we simply look at three of the measures which hon. members opposite voted against, including the energy tax credit, the tax credit for property taxes and the tax credit for mortgage deductibility, it is clear that something in the order of $145 a month was available to many senior citizens in this country, and that is considerably more than $35.

Perhaps of even more importance was the direction of that budget toward a balanced budget. I think economists will tell us clearly that that is the direction in which a government should go if it is serious in terms of its fight against inflation. A reduction of the inflation rate of something in the order of 1 per cent, 2 per cent or 3 per cent which accumulates over time, benefits senior citizens who are at the lower end of the income scale a great deal more than the bill we are considering here today, and I would like the record to show that.

I would now like to begin my series of question to the minister. Could the minister begin by telling me what her departmental estimates are so to the number of people who will benefit from this bill in this fiscal year, and what are the costs for this fiscal year alone for this bill?

Miss Bégin: No, Mr. Chairman, I will not correct my previous remarks. I happen to believe very strongly in direct transfers of moneys to those in need in cases of higher inflation, and I happen not to believe that the tax credit for mortgage deductibility and other Conservative budget measures would have been a direct help to seniors.

We may not be talking about the same seniors. I am talking about hundreds of thousands of seniors in need who do not even have houses which belong to them in most cases.

I believe very sincerely that the clientele touched by the Conservative budget, which was defeated by a majority of the Canadian population, and those touched by a measure like this one, are totally different. That is just to clarify in what context this bill is presented.

The number of seniors who will receive this increase is 1.3 million senior citizens of Canada at a cost for this fiscal year, which means the balance and not the full fiscal year, of $345 million.

Mr. Hawkes: Mr. Chairman, I think the minister might resolve the disagreement between us if she were to table in the House of Commons the research reports which characterize the characteristics of the seniors we are discussing. I suspect there are many more of the senior citizens who would fall into the classification of poor who own their own homes, and perhaps the minister recognizes that. I hope she has research data of that kind and that she might see fit to table it in the House so that we might have the issue resolved.

The minister has said, in various parts of this discussion on the bill, that she would like to provide senior citizens with a great deal more money than she is able to through the provisions of this bill. I assume she is referring to the fact that on many occasions different ministers of the Crown have indicated they want to restrict the increase in spending. They have adopted a practice which we instituted in the last government of envelope spending, so there is a limit to what can be spent. If you want to spend more on the right hand side, then you have to take it away from the left hand side. If that is correct, I wonder if the minister would indicate to the House whether she has argued in cabinet and whether she is in favour of spending something between $3 billion and $4 billion on subsidizing the importation of oil rather than spending the money on the guaranteed income supplement. Perhaps the minister could tell us how much the amount would be to senior citizens if in fact the cabinet to which she belongs had not chosen to spend that amount of money subsidizing American aeroplanes, truckers who come across the border, and people of that kind.

An hon. Member: Don't be ridiculous.

An hon. Member: Go back to the farm.

Miss Bégin: Mr. Chairman, the bill would provide more money to help seniors in need. We are talking about 1.3 million seniors who will get that additional money. By the way, as I said earlier—the hon. member may not have heard me—this is not enough money. I hope as soon as the economy expands we can add to that to make sure that all seniors of 65 and over live above the poverty line.

The question of inflation which the hon. member attached relating to the lives of seniors is relevant. If he asks me if I have any difficulty believing in full solidarity with regard to the policies of the government, my answer is that I have no problem. I am not a split personality. I am in complete agreement with the kind of compensation payments which—whatever their cost figures; I do not have them here in detail—ensure a price which is lower than that in other countries and the same price to all Canadians. That is very obvious to me. It is a very good policy, to my way of thinking, and it benefits, among other groups in the population, seniors.

Without quite asking the question—the hon. member merely made a suggestion—he seemed to ask where the money will come from. He referred to the envelope system. The

money, as we said during the election, and as announced in this House by the Minister of Finance, is money added to the so-called social envelope. It is new money, in other words, coming from increased taxes on corporations to be announced later in the year.

Mr. Hawkes: Mr. Chairman, I am wondering if the minister might consider the following commitment. She sat on this side of the House in that last Parliament and voted against the Conservative budget.

Some hon. Members: Hear, hear!

Mr. Hawkes: She complained about the 18 cents tax on gasoline. Does the minister realize that a three cents per gallon tax on gasoline would enable her, without borrowing more money—if the Minister of Finance was to give her that revenue—to double this allowance from $35 to $70?

An hon. Member: Why didn't you do it?

Mr. Hawkes: Would the minister consider petitioning the Minister of Finance to come forward with a three cents per gallon tax on gasoline, thus enabling her to double her guaranteed income supplement? I think public policy is a matter of choice, and I am trying to clarify the minister's original statement about choice. She said that she would choose to help this group out. Would she be prepared to go to the Minister of Finance and suggest a three cents tax on gasoline to enable her to double this subsidy?

Miss Bégin: No, Mr. Chairman. I think we explained in previous exchanges of views that at the beginning of the election campaign when we finalized our social policy, the Liberal Party decided that as a party—and that became government policy since—we would finance this particular program with $525 million. This year it is less because of part of a fiscal year, and it is only $345 million, to be financed by an increase in corporate taxes. The exact form of it is to be announced by the proper authority.

● (2050)

The hon. member raises fundamental questions, but he keeps finishing his questions by asking me if I would agree with him. The answer is no. I am a Liberal, and he is a Tory.

Mr. Hawkes: Mr. Chairman, I would point out to the minister that as a consequence of a decade of Liberal policy, in particular the seven years preceding our formation of a government, a situation was produced which has long-term consequences for the senior citizens of this country.

Miss Bégin: Yes, they are better off.

Mr. Hawkes: They face an undue burden in terms of their ability to meet increased costs through inflation. Those increased inflationary costs are a consequence, in large measure, of government overspending. The Minister of Finance smuggled a budget into this House in April. We have a situation where he asked the House to approve the borrowing of close to $11 billion to pay the interest on the public debt. Most of that debt was accumulated in the last seven years. If the minister were to have access to that $10 billion or $11 billion, does she have any idea of the difference in the standard of living that could make for senior citizens? Is the minister not willing, as a member of that government, to accept responsibility for creating the situation on which she is putting a band-aid when, in fact, major surgery is indicated?

Miss Bégin: Of course this is a very simplistic view of the economy, particularly in terms of the international situation. The hon. member does not even refer to Canada being part of a larger entity, first North American, and then of all industrialized countries. He is giving us an electoral speech. He knows full well that we did not create inflation.

Mr. Malone: You did.

Miss Bégin: We have fought inflation for years as well as we could. To my knowledge I have never read or heard anybody in the country who now knows what is the remedy against inflation.

Mr. Malone: It is our own energy.

Miss Bégin: I think this is very clear. After all, we have a much better record than our friends to the south. The member keeps talking about restraints, less spending, etc. Was it not Mr. Shultze who said very recently that the American government might have made a mistake and should have been expansionist? I am not here to give a course to the member as he is doing to the rest of the House.

We are talking about a bill in the field of social policy. It seems to me the objective of social policy is to ensure, first, that the general economic background is the best we can provide for everybody. This is my job as a member of the government together with other members of the government. However, it is not my direct responsibility. On the other hand, my direct responsibility is to ensure that the social policies meet the needs of Canadians in what I will call the quality of life. That means health and their financial security. It seems to me that this bill is very appropriate.

Unless my colleague opposite is more specific, I must admit that I fail to understand his line of reasoning. I can see the politics of linking poverty in Canada to inflation, but it is not a direct link. Poverty was with us in the good years. Many governments, one after the other, tried to fight poverty. We succeeded modestly. I think it is fair to say that. Progress was observed, and we can conclude that absolute poverty has decreased in Canada in the last 15 years.

Mr. Malone: That is not true.

Miss Bégin: Of course it is true, otherwise I would not say it. Relative poverty is still the same. Relative poverty, as its name indicates, relates to the general wealth of the country. So, we still have a very serious challenge with us. The fight against poverty is valid, inflation or no inflation. We had poverty with us before inflationary times.

If we go back to strictly discussing the indexing of pensions, I am not quite sure if quarterly indexation is the best form of indexation, but I have the figures with me which indicate that it maintained the value of the dollar for the last eight years. Those are the figures that are available to me. I just wanted to state that very clearly to the House.

Mr. Rose: Mr. Chairman, as other hon. members have done this evening and today, I should like to say a few words on this great subject of pensions. Sometimes in listening to the debates in the House I wish that our friends in the Conservative party would stop defending their last budget. I think it is past history.

Some hon. Members: Hear, hear!

Mr. Rose: I think everyone in the Conservative party agrees that in fact it was a great, honest, outspoken and forthright budget, but it did not wash. It did not wash, and that is why we are—

An hon. Member: That is why we are in the mess we are in today.

Mr. Rose: In case anyone thinks that I am being unfair to one side of the House, I should like to indicate that we have something like $1.15 billion to $1.20 billion in deferred taxation. If we are worried about from where the money is going to come for pensions, we can look at the fact that on deferred taxation we are getting about 8 per cent. If we raise that to the prime rate, probably we will have about $1 billion more for pensions. However, I do not think either my friends in the Conservative party or the Liberal party would suggest that we call that money right in or charge the up front interest rate on it because it would offend some of their friends and, my God, we cannot do that!

Pensions are really political questions rather than economic ones. How we decide to spend our money is really what we are talking about. It has to do with how we decide on our particular priorities. We think we have a reasonable pension scheme in this country. I think it is reasonable. It is not unreasonable, but any time we think we are being unduly generous, all we have to do is look at some of the western European countries and find that our people are not lavished with all kinds of extra benefits.

If we believe what the minister told us, and I see no reason why we should not, 1.3 million out of two million are getting the supplement, and that means they are broke. So, very few of them are squandering their money driving Cadillacs or doing all these things like taking trips to Hawaii. I do not think we have lavished money on pensions.

From the time pensions were introduced by my predecessor or the precursor of my party, we have heard the question asked: where is the money coming from? We heard that last year when the Conservatives responded to the motion of the hon. member for Winnipeg North Centre to increase the pension to $350 a month. We heard them say that they were spending $4.5 billion on pensions at that time, how could they double that, it was impossible, it would break the country. We heard the same thing in what year; in the early twenties? You would not care to specify the year?

• (2100)

An hon. Member: 1926.

Mr. Rose: All of us in the House are probably going to love this bill to death. I do not think anybody is against it, but I think all of us would like the opportunity to say a few words about it, ask questions of the minister, and probably to tilt a few of our own favourite windmills.

Pensions are of vital interest to everyone in this country beyond the age of 30. Young people like my friend, the hon. member for Crowfoot, who thinks he is going to live forever, are not much interested in pensions, as with many other young people of his ilk. He looks disgustingly healthy and probably will live forever. I think we have to be realistic about this. In spite of the fact that we seem to be spending a lot of money on pensions, according to some people, only 54 per cent of all Canadians are covered by pensions of any kind, and certainly most of those people not covered are women.

It is the women of our society who tend to outlive us by about ten years, and they are the ones who are left with inadequate subsistence in terms of rent and income for other necessities. They live in poverty for probably that most difficult and lonely period of their lives. This is the kind of thing that all of us probably just think about because we do not experience it. Sometimes people with a literary bent will write and bring home to us this kind of loneliness and scrimping on food and that sort of thing, but that really is something we look upon as literature and do not experience. I have no particular desire to experience it. We are pretty well looked after as members of the House of Commons.

We are not talking about that, we are talking about the 55 per cent of all pensioners, all those Canadians who are over 65 and are eligible for the supplement, whether they are married or unmarried. We are told this is going to cost the nation some $345 million. I do not think that is particularly massive when you consider the fact that when I first entered this chamber the total budget for all Government of Canada spending was something like $12 billion and now it is closer to $60 billion. It is really not a huge item.

I do not think people need to express overt gratitude for this increase, but I would suggest to the Minister of National Health and Welfare, like a lot of other members, that it is certainly a welcome step. We in this party welcome it and we would like to push it through.

We know the minister's problems with the President of the Treasury Board who is sitting over there in deep thought. He has his own problems with his climate of restraint, but I want the minister to use all her blandishments to convince that minister that she needs more for the good and welfare of the pensioners in this country. She should certainly encourage the minister to loosen the purse strings and change the kind of priorities we have in this country so that those people who have

provided our generation with the kinds of things we enjoy can, in their time, have an opportunity of being without fear, insecurity, poverty and the rotten, old, crummy places where they live, with crappy dinners and all that sort of thing, while the rest of us, including the minister and the President of the Treasury Board, eat in the parliamentary restaurant.

We have to take another look at our priorities, and I do not think we are being unfair in suggesting that. Something needs to be done, and there is no question about that, to bring pensioners at least up to the poverty line. If you are not below the poverty line you do not get the supplement, and if you do not get the supplement you are not even eligible for the $35, and that is pretty clear.

Miss Bégin: That's not true.

Mr. Rose: You have to get the supplement in order to get the $35.

Miss Bégin: About 45,000 more will get it.

Mr. Rose: I am pleased to hear that, but that has to do with indexing. If the minister would care to correct me I will sit down and she can get up and tell me about that. Do you want to do that?

Miss Bégin: Yes. Rapidly, Mr. Chairman, the supplement, not the indexing is involved. This increase, in other words, of $35 will permit some 45,000 pensioners who now do not qualify to start qualifying for the GIS.

Mr. Rose: I appreciate what the minister has to say, but I think the point has been made that there are still a million pensioners in this country who do not qualify. They are the ones who are not in a particularly affluent state either. I would encourage the minister to consider these people.

We are talking about all these things that have happened in Canada; we have medicare, redistribution of income, and all those lavish social schemes that have come about over the past 25 years. The fact is that distribution of income in terms of percentage has not changed a great deal in the last generation. The minister nods her head. The bottom 25 per cent still get less than 4 per cent of the total GNP, or total income, and the top 20 per cent still get over 40 per cent. I do not think my figures are that far off. That shows you, I think, the kind of society in which we live and the need for some kind of change or updating of our attitudes and priorities. I do not think anybody can argue against that.

The point is that whichever of the two old-line parties forms the government it still has other pressures. I am not discounting the pressures that confront the government. They are real and they are there, but the old age pensioners, the senior citizens of this society, are not organized. They do not speak with a unified voice and they do not speak with unified electoral clout, so they are ignored. Unless they begin to organize and put pressures on the politicians, they are going to be exactly where they always have been. I do not think there is any question about that.

We are told that over the next 50 years pensions will be in for increased buffeting. Six people today working support one pensioner, and within 50 years there will be three people working to support that same pensioner. That is a very serious matter. That means we will have to make some changes in the way we fund and the way we react to the pension problem. Those operating private plans suggest we cannot afford indexing. We have something like 10 per cent inflation in this country. What is a person going to do today who is retired at 65 if inflation continues at the rate of 10 per cent? That person who retires at 65 will have a pension in ten years worth a great deal less. The dollar he gets today will be worth 32 cents. Ten years after that, if he is lucky to live to 85, or unlucky, the dollar will be worth only ten cents.

We have all those people in the trust companies with private pension plans saying we have to get rid of indexing as they cannot afford it. How on earth could anybody expect to pay in forever in expensive dollars and be paid out in cheap dollars with the suggestion that that is a fair deal? That is absolute nonsense.

An hon. Member: He won't be on earth.

Mr. Rose: My hon. friend says he will not be on earth. What happens is that the dollar in 1980, if inflation continues, will in ten years be worth 32 cents, and ten years later worth a dime. What does that mean? It means no early retirement. Nobody wants to retire because they are too vulnerable. They do not know what will happen to their income so they cannot afford to retire. The carry on but, of course, they cannot collect from their pension plans. The longer they work in terms of their lifespan the fewer years they will be able to collect.

• (2110)

What we have in our society are the idle rich, who do not need a pension plan, and the idle poor, who retire and get a job to supplement their income. Private plans have been fighting indexing because they are set up to accept expensive dollars and pay out cheap dollars. They do not want to change that, nor do they want to change the fact that they occupy about 50 per cent of the pension business. The last figure I heard was that the private plans have in their treasury something like $20 billion.

There are a great number of people who would like to get their hands on that money because it is a very substantial investment. The unions are rather anxious to get at it, and companies are rather anxious to keep it. I do not think that we can afford any longer the kind of mix of private and public plans which we have had up until this time. For one thing, they do not serve the people. If it were not for the positive payout in the private plans, I am quite certain we would not need the kind of public assistance that we receive from the treasury.

If we had contributory, portable, across the board, decently funded plans in our society, run by the government, instead of hundreds of private plans in which the vesting remains with the firm, then we could probably afford, either through CPP or some other means, a plan that would pay out and look after

the interests of the senior citizens about whom the minister, other members and myself are so concerned this evening. We cannot go on with the old litany of trying to bump the public pension plans up without taking a look at the private plans and the mix which we have of private and public plans to see if there is not a more rational or better organizational method by which we can proceed into the twenty-first century.

Unless we set up those plans decades in advance of when they are needed, they will simply not work. They will simply not be actuarially sound. Many private plans have vesting for the first ten years which remains with the company. I am not saying that it is true of a particular company when I mention that company, but I know, for example, that Safeway and Seagram have private plans. Again, I am not using facts in terms of relating to these particular companies, and I want to make that point clear. The fact is that vesting has remained in many private plans with the company for up to ten years. It is considered a gift.

An hon. Member: Mention the Liberal programs.

Mr. Rose: I have heard of the Liberal program. I think that they had a tremendous program in medicare which was brought in in 1917. That was the same year that "I'm forever blowing bubbles" was composed. I do not think that we can wait that long, and I am trying to convince the Liberals to hurry. We would like to see a few more Liberals in a hurry around here.

In any event, vesting can no longer be thought of simply as a gift. Vesting is deferred wages which belong to the wage earner, not to the company which happens to hold the vesting interest in the plan. We must look at this sort of thing. If one looks at the Canada Pension Plan one will find that there is a limit in that plan in terms of the yearly average insurable earnings of something like $13,000. I know of certain members of Parliament who make a little more than twice that, not to mention a number of other people in society, and who pay 1.8 per cent of $13,000. Actually I am told that it is a little less than $13,000 because of some sort of formula that is applied.

But if the 1.8 per cent were applied to the full earnings, instead of a limit of $13,000 on the yearly average earnings, it would change things quite a bit. It would provide more money for CPP funding which would provide the pensioner with a portable contributory plan, a higher income, and the Canada Pension Plan would no longer be considered a supplementary plan worth approximately 25 per cent. If people do not have a contributory plan to support them when they retire, then they call upon the non-contributory, except through taxation, plans of the kind we are speaking of tonight.

What this country needs is a plan that will be portable, adequate, contributory, and available to all, including housewives, because they are among the most vulnerable. If such a plan were available we would have a vastly superior social security system and one in respect to which the present minister, or ministers of the future, would not have to come back to the House and beg the Treasury Board chairman for a bit more chicken feed to give to the pensioners.

Generally, people do not like to feel as though they are recipients of charity. We hear a great deal about welfare bums, those people who want to rip off the welfare system. We do not hear about those people who are entitled to welfare, but whose dignity does not allow them to accept it. These people carry on year after year going without, because they are too proud to accept welfare or what some people would call "pogey". This is very important to some people. I do not belittle them. We also know that they probably balance off the people who want to go on the UIC ski team up to Banff or some other resort.

What I am saying is that people want to contribute through their work. We must change the taxation system so that it does not favour the affluent, and we should be taking a look at the pension plan. The Conservatives had an excellent idea when they suggested that sometime in 1980, were they still around, they would hold a pension conference. At this conference they intended to look at the whole matter of pensions in the future, generations from now, and at the kind of plans we need.

I am quite sure that my colleague, the hon. member for Winnipeg North Centre, would say that we have had enough talk, now we need action.

Mr. Knowles: Hear, hear!

Mr. Rose: On that note I shall close because I think that hon. members have heard enough talk from me and would like some action from the minister.

Some hon. Members: Hear, hear!

Miss Bégin: Of course I welcome the better organization of seniors into regroupings of all sorts. Power to seniors is something which we are increasingly witnessing every day. The second thing I would like to say, which probably will be of some surprise to the hon. member, is that the President of the Treasury Board was one of the strongest alliances which I had in cabinet discussions on this bill.

Mr. Herbert: Mr. Chairman, I have a very short comment to make, and two very brief representations to put to the minister. I am happy to see this bill before the House, although I would have liked to have seen the $35 added to the basic pension rather than the supplement. This program has received very little criticism, even in Quebec, although it is of a provincial nature and under provincial jurisdiction. Federal intervention with provincial approval was intended to establish national standards and national payment levels, portability and other national goals.

Where these reasons for federal intervention no longer exist, and where the total spending and the manner of spending are entirely in the hands of the provincial governments, then the entire financing by an appropriate tax increase should be by the provincial governments. The minister now realizes that her former trust in provincial legislative bodies did not stop, for example, the Ontario government from making changes to the medicare program.

My first short representation could best be led into by quoting a couple of sentences from an article in yesterday's Ottawa *Journal* by Bruce Yemen. He is speaking of a couple who are receiving the guaranteed income supplement and he mentions that the GIS is paid on the basis of an income test.

● (2120)

Incidentally, the hon. member for Winnipeg North Centre talked about universality, but we should realize we can only go part way in this program toward universality as long as we retain the guaranteed income supplement.

The article mentioned that for every dollar of guaranteed income, a couple would lose 50 cents of the GIS, thus $2,500 in income would wipe out the entire $1,250 GIS. The article goes on to mention the provincially administered supplements. That was referred to by my colleague, the hon. member for Algoma, just recently. The article continues as follows:

—many elderly home owners on low incomes are reluctant to move to smaller or rented accommodation—it doesn't make sense to turn a tax-free home into income which is either taxed or makes them ineligible for government aid.

My representation, which I have made before and which I repeat now, is that the government should think soon of changing the two for one formula to, as a start, a three for one formula, so as to encourage persons to put a little more money away for their old age and to make it less punitive for those who have relatively small incomes.

In my opinion one of the problems facing us today is the level just above the minimum—those who have saved just a little, but not very much, and have seen their earnings disappear with inflation and so on. That is my first suggestion, Mr. Chairman.

My second suggestion also refers to something mentioned by the hon. member for Winnipeg North Centre when he talked about spouse's allowance legislation. He said, "Have you got a man?" is the standard. I want to go a little deeper than that. At least there was some logic in the argument of the minister concerning the difference between a person who has always been single and a person who loses a spouse. Unfortunately, with the legislation as it exists, we still see an example where old age persons between 60 and 65 who have lost a spouse are not treated equally.

I find it personally unacceptable that three widows, for example, of exactly the same age, with exactly the same income, should be treated differently—one being eligible for spouse's allowance, and the other two not, for reasons that have nothing to do with their age or their income but which are related entirely to the age of their husband when he died, or vice versa in the case of a woman dying.

My two representations to the minister are that she consider at some future date, some changes to encourage more, those with small savings, and also that we get rid of what I consider a terrible situation where two widows can live side by side, be the same age with the same income, yet one is eligible for the spouse's allowance while the other is not.

[*Translation*]

Miss Bégin: Mr. Chairman, I would simply like to answer the member for Vaudreuil that the first suggestion he made will probably be studied not as such, because it is new to me and I am not aware of its financial implications, but in the context of ways to encourage retirement savings during the national conference on pensions. As for his second suggestion, I think we are all aware of the problem since we identified it as the next step.

[*English*]

The Deputy Chairman: The hon. member for Vancouver East.

Mrs. Mitchell: Mr. Chairman, I will try to be as—

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Chairman, there was an exchange earlier in the day with respect to progress of this bill. I have had the benefit of reading the blues with respect to that exchange. I think it began by the Parliamentary Secretary to the President of Privy Council indicating that there had been some discussions and it was the intention of the House that this bill complete the committee stage tonight, and complete third reading as well, so that we can proceed with it as expeditiously as possible.

I gather there may be some confusion with the two stages tonight. The hon. member for the Yukon, who was speaking for our party, indicated our agreement to the proposal put by the Parliamentary Secretary to the President of Privy Council. I wonder if that could be cleared up because we are anxious to get this bill through tonight and not have it talked beyond ten o'clock. It is an important bill to senior citizens. I think that should be done and we should have that matter clarified.

There may be some explanation that the Chair could assist us on this matter. We would certainly be grateful. It may be that the parliamentary secretary or the hon. member for Winnipeg North Centre could make a contribution.

As I understand the reasoning earlier in the day, it was that this bill would be completed and would not be talked out. We are anxious that this be clarified and that that be done.

Some hon. Members: Hear, hear!

Mr. Collenette: Mr. Chairman, the remarks of the hon. member for Nepean-Carleton are quite in order. That was our agreement, although I understand from reading the blues that it is not quite as firm an order as the parties wanted it to be. I think there might have been some misunderstanding, perhaps by yourself, with all due respect, and I think we can agree now that we will go to third reading this evening.

With respect to talking out the bill in Committee of the Whole, as hon. members know, every hon. member has the right to speak. I would ask, however, that hon. members keep in mind the disposition of the parties to get this very important piece of legislation through. The Minister of Finance has been

waiting patiently to introduce Bill C-30, and there are only 33 minutes left before ten o'clock.

Mr. Knowles: Mr. Chairman, I think it is correct to say that there was some misunderstanding but I do not propose to make anything out of that now. As hon. members know, I do spend most of the day in my place in this House but I did have to go out for a few minutes this afternoon and this was all done while I was out.

We can live with it, Mr. Chairman. We want to see this bill through as soon as possible. The hon. member for Vancouver East will be our last speaker in Committee of the Whole.

The Deputy Chairman: The Chair will take only a moment of the time of hon. members. What happened was that earlier this afternoon a suggestion was made by the Parliamentary Secretary to the President of the Privy Council that all stages of this bill be passed by ten o'clock this evening. At that time the chair, which was occupied by myself, mustered up both digits of its IQ and managed to suggest a rephrasing of what had been proposed by the hon. parliamentary secretary. I rephrased it rather badly, but it was clear at that time that the hon. member for the Yukon had accepted the proposition put forward and, as the Chair understands it now, and as seemingly has been agreed by the hon. member for Winnipeg North Centre, an order of the House has issued for the disposal of this matter by not later than ten o'clock this evening.

Mr. Baker (Nepean-Carleton): All stages.

The Deputy Chairman: All stages. I understand we will proceed with the hon. member for Vancouver East. Is that agreed?

Some hon. Members: Agreed.

The Deputy Chairman: Agreed and so ordered.

Mrs. Mitchell: My colleagues have stated that we in the NDP will support Bill C-16. A $35 increase for senior citizens is an important start, but it is not enough. In particular, Bill C-16 does not cover the increasing costs of shelter, fuel, utilities, and home repairs—essential costs that I am sure you realize are escalating almost every day. Pensioners with no other income will still be far below the poverty line. We in the NDP advocated a $40 increase per month for all elderly people on basic pensions, not just those on the guaranteed income supplement. This, along with a shelter grant, could bring income of pensioners closer to the poverty line.

Ideally, of course, we should have an adequate guaranteed income, not guaranteed poverty, with cost of living increases on a regular basis. This should be available to eliminate poverty for Canadians of all ages, not only for senior citizens.

Tonight I want to focus briefly on the high cost of shelter which is a major expense for senior citizens, particularly for those who are having to rent accommodations at market prices. I hope the minister will take particular note of this and will include this in future planning if not in this bill. Shelter costs are a major concern of senior citizens, depending, of course, on where a person lives. Almost every senior citizen, regardless of income, has a major problem with accommodation and housing costs today.

First are those persons lucky enough to have had a home during their lifetime, a home that is paid for. Second, we have many senior citizens who are also very lucky to live in senior citizens housing developments, non-profit housing, where they pay 25 per cent of their income for shelter. Then we have the hidden pensioners who have great problems. I suspect many of them are the parents of members sitting in this House tonight who live in nice middle-class apartments, have had comfortable professional backgrounds perhaps, and yet are also paying exorbitant rents probably out of very limited pensions. It is known through research that of the many people in Canada who pay 50 per cent to 60 per cent of their incomes on rent—and this is many thousands of people—most of these are senior citizens and women. And 50 per cent to 60 per cent of senior citizens pensions is certainly something which is a very drastic cost.

• (2130)

Finally are the group of people, many of whom I am familiar with in my own riding who live in downtown flophouses or unsafe fire trap rooming houses, or in damp, cold basements and who are living on welfare, in some cases living on less.

First of all, dealing with the home owners, we know there are many pensioners who own their own homes and who may seem to have many advantages. However, with the increasingly high cost of fuel, home repairs, taxes and utilities, this is not necessarily so. Home owners with no extra income find it difficult to meet increasing costs. Often they are overhoused with homes too large for them, as families have grown up and moved away and they have little choice to move elsewhere.

These are the people who ideally, if more RRAP funds were available, could afford perhaps to subdivide and house other people. They are also finding that their houses and the repairs that go with them are an increasing burden. Too often these seniors in their own homes are more isolated than those in housing developments, without families around and who are somewhat isolated from their neighbours. The New Democratic Party during the recent election proposed a grant for elderly home owners that would help them pay their increased taxes. It was not much. It was $120 a year, but we would urge that this is justified for many of our seniors who are trapped in the high cost of owning their own homes.

Mr. Nielsen: Question.

Mrs. Mitchell: Second, pensioners living in non-profit housing developments have many advantages: decent housing, but perhaps they are not close to amenities. Although they pay 25 per cent of their income on housing, they perhaps do not have the privacy and some of the services that they need. Unfortunately, we do not have nearly enough of such developments to meet today's demand and future needs. There are long waiting lists for housing, and our elderly population is increasing

considerably. Funds are not available for social housing which is needed. This is a very serious concern for senior citizens.

Mr. Baker (Nepean-Carleton): Question.

Mrs. Mitchell: One might think also that elderly couples living in apartments are well off, but, as I mentioned before, these people are also having difficulties.

Most urgent are the fourth group of seniors who are in a desperate situation and faced with a very high proportion of welfare costs going toward shelter with no amenities, no services and few alternatives. This is a really desperate situation. For this group in some provinces there are shelter allowances such as the SAFER program in British Columbia, but these programs are not adequate. I would ask the minister what she intends to do to cover some of these costs and alleviate some of the problems—the shelter problems in particular—for these groups of people.

When we discuss adequate pensions for elderly citizens we must recognize the desperate housing problem facing not just a few poor people but most of our elderly citizens today. Imagine paying over 60 per cent of one's pension on rent, with rents going up every day. This is why the NDP advocated a shelter grant for pensioners. This would assist persons who are the hardest hit by shelter costs. We recommend that there should be a rent subsidy that will cover up to one-third of the cost of rents where rents are over 25 per cent of the incomes of pensioners. Surely this is not very much, and surely members of this House could take this aspect a little more seriously. This would mean an extra rent subsidy of $50 per month, or $600 per year, for those not in subsidized housing. For home owners we recommended a grant toward taxes of $120 per year.

I ask the minister to comment on what plans she has, if any, to introduce shelter allowances in addition to pension increases. Will the minister also press CMHC and the Treasury Board to put more dollars into low-interest mortgages for non-profit senior citizens housing that is subsidized so people need to pay only 25 per cent of their income?

Finally, I would like to mention briefly that I know the minister has been an advocate of an adequate guaranteed income system to replace our outdated welfare system in Canada for some time. I commend her for this. In the meantime, if this bill goes through, and we hope it will, there are many unmet needs of our elderly where we must have shared federal funding. I would appreciate it if the minister could comment on what plans there may be for funding for programs such as transportation for seniors, which has experienced a drastic cutback in our communities, since there is very little shared funding now from the federal government; housing that is adapted to handicapped people and other services for the disabled, services such as Meals on Wheels, homemaking services, and also increased funds for opportunities for seniors to be active in their communities.

I think New Horizons is doing a fine job, but there are other programs such as foster grandparents, tutors, and other self-help projects that need support.

Mr. Baker (Nepean-Carleton): Question.

[*Translation*]

Miss Bégin: With all due courtesy, Mr. Chairman, I think I should tell my colleague from Vancouver East that I am of course aware of the problems she has mentioned. I am familiar with the promises made by the New Democratic Party during the election. This is a first step of more than half a billion dollars. We will start by implementing it in the best possible way. We will have to raise additional taxes on corporations and this is but a first step. I think the best thing to do is to thank her for her speech and to say that this is only one step toward achieving everything that has to be done. That is why we all sit here.

[*English*]

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported.

Miss Bégin moved that the bill be read the third time and do pass.

• (2140)

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, might I just say a brief word which I am sure all members will support. When we are dealing with pensions, some of us think of former members and former ministers who made a great contribution in this field. One of them is the Hon. Judy LaMarsh. In view of the fact that she is suffering an illness, although her spirit is strong, I think at this point we should send the greetings of this House to Judy.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre did not put his expression in the form of a motion, but I think that given the support that was expressed throughout the House, that the feelings of the members in this House would be carried. Is that understood?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): I am advised by the Table officers I might then put the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

Borrowing Authority Act

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Baker (Nepean-Carleton): They are not only the big spenders, they are also the big borrowers.

Mr. MacEachen: Mr. Speaker, I will follow the advice given by members of the opposition and make my remarks very brief, not because the subject matter is not important, but because the members opposite and on this side of the House will understand very easily the purpose and significance of this bill.

Mr. Nielsen: Just tell us why you want our money.

Mr. MacEachen: The borrowing authority bill now before the House seeks borrowing authority of $12 billion for the fiscal year 1980-81. This bill also seeks explicit authorization for the government to borrow in foreign currencies as well as in Canadian dollars.

As hon. members will recall, on April 21 last I tabled in the House of Commons a projection of the government's budgetary and non-budgetary cash requirements for fiscal year 1980-81. I indicated at that time that that statement was a necessary foundation for a request which I would be making later for a borrowing authority. The requirements forecast in that projection amount to $11,730 million. This amount excludes requirements for foreign exchange transactions.

In addition to these forecast cash requirements, there is always the need for a substantial margin of borrowing authority to provide for contingencies. For example, there are major uncertainties arising from foreign exchange transactions since either a major weakening or a major strengthening of the exchange rate would have an impact upon the borrowing requirements of the government. If the Canadian dollar were to be strong, then the government would have to raise more Canadian dollars to borrow foreign exchange. On the other hand, the Canadian dollar could be or might be weak. Under those circumstances the government would then be faced with the need to borrow foreign currencies.

This margin of borrowing authority is being provided by unused borrowing authority obtained prior to November, 1979, and which is not subject to automatic cancellation at the end of the fiscal year. I believe that when the hon. member for St. John's West (Mr. Crosbie) made a similar request last November in the House, he referred to this unused borrowing authority which had not expired and which indeed has not expired up to the present time.

This borrowing authority was obtained prior to November, 1979, and was not subject to automatic cancellation at the end of the fiscal year. This unused borrowing authority which is available for use at any time and which has been carried forward, amounted to approximately $2.9 billion at the beginning of fiscal year 1980-81. All unused borrowing authority obtained under the Borrowing Authority Act 1979-80 was cancelled or lapsed on March 31, 1980. As I recollect, that refers to the borrowing authority which was granted by the House at the request of the former minister of finance. Consequently to date in fiscal 1980-81 new moneys raised have been charged to the $2.9 billion of unused borrowing authority obtained earlier and carried forward. However, these unused borrowing powers are rapidly being used up and the government requires new borrowing authority to enable it to continue with the 1980-81 debt program.

The borrowing authority of $12 billion now being requested, along with the remaining portion of the unused borrowing powers obtained in prior years and still available, should be sufficient to complete the borrowing program this fiscal year as well as to provide a margin for contingencies.

All outstanding and unused borrowing authority provided by this new act for fiscal 1980-81 in respect of which no action has been taken by the governor in council, pursuant to section 37 of the Financial Administration Act, will be cancelled on March 31, 1981.

Hon. members will recognize that, referring to clause (2) of the bill, we seek certain clarification with respect to borrowing in foreign currencies. Over the years the government has borrowed in many currencies including U.S. dollars, British pounds, Deutschmarks and lira, and has always honoured its debts in the currency of contract. This clause, the one to which I referred, will serve to confirm the authority of the government to borrow and repay loans in currencies other than Canadian dollars.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, this is a very signal occasion in the history of this session of Parliament because we have actually had the Minister of Finance (Mr. MacEachen) speak. This is his second speech. The House opened on April 14 and this is the second time the minister has spoken. The last time he spoke was on the occasion of his bootlegged mini-budget that he introduced toward the end of April.

This is a very short statement. We are expecting a bit more from the minister. We hope that when he speaks to close the debate he will actually tell us something. It is his history in this House to speak but never to say anything. Before I am through with the few remarks I am going to be making on this bill, which are always succinct and to the point, I will analyse and dissect some of the answers the minister has given to questions in this House on various serious issues of economic and financial approaches by the government.

The minister has said, and he can hardly deny it since it is in the bill, that the bill is to authorize the government to borrow some $12 billion during this financial year. It is to give the government borrowing authority for $12 billion. I recall that in the bill I brought into the House last fall on October 23, we were asking the House to authorize us to borrow $7 billion.

Some Liberal members, probably risking being kicked out of the caucus then said, "That's terrible. You have lost control." That is what they said when we brought in the bill to authorize the borrowing of $7 billion.

The hon. gentleman who is practically a deskmate of the Minister of Finance, that tattle-tale "Gray" Minister of Industry, Trade and Commerce (Mr. Gray), said we should only have $3.5 billion. He said we did not need $7 billion. He made a rough calculation and he came up with $3.5 billion. I am going to make a rough calculation tonight and say that $6 billion is more than enough for the hon. gentleman until he produces some facts and figures to show why he needs the $12 billion. In other words, when is he going to bring in his budget? Why is he such a reluctant virgin in a financial sense? He doesn't want to bring a budget into this House. He doesn't want to show the Canadian people and the business community what his financial plans are, what his economic policies are going to be. Why is he so reluctant to do this when he and his minions back last October and November were urging that a budget be brought in very rapidly? I will refer later to the remarks which were made by them last fall.

● (2150)

The minister says he has a margin. He says there was unused borrowing authority of $2.9 billion at the beginning of the 1980-81 fiscal year. That's at the beginning of that year, April 1, 1980. So the minister had unused borrowing authority of $2.9 billion at that time, he said. But he did not tell us how much of that is unused tonight. Are we not, as members of Parliament, entitled to know, when the minister comes by looking for a mere $12 billion in borrowing authority, just what is left of the $2.9 billion he had on April 1? Why is he so reluctant to give members of the House and the people of Canada that information? Why does he make this short little spavined excuse of a speech when he introduced this bill, neglecting even to tell us how much is left of the old $2.9 billion that he had a few short weeks ago?

This spendthrift minister, this spender—he and the President of the Treasury Board (Mr. Johnston) are helpless in the hands of his colleagues. But before this bill passes the House we want to know how much of the unused borrowing authority is left of the $2.9 billion the minister says he had on April 1. This is being rapidly used up, he says. You are darned right it's being rapidly used up because the Prime Minister (Mr. Trudeau) is a man who says he does not worry about the deficit. So it is certainly being used up rapidly. But we would like to know how rapidly. We ask the minister to let us in on the secret. After all, he is asking for $12 billion.

In addition, the minister neglects to tell the House that he has borrowing authority for every billion dollars he repays in debt coming due. For every $100 million in Canada Savings Bonds people want to redeem, the minister has the right to borrow another $100 million. Or another billion dollars. So how much unused authority does he have in those directions—or is that included in the $2.9 billion? The minister is a silent minister. He reminds me of something people used to have in their homes at one time—the silent butler. This is the silent minister, the Sysco Kid. He is in a constant soft-shoe dance. He is a soft-shoe dancer without parallel in the world. Never have we seen such an example of soft-shoe dancing as this minister tiptoeing through the question period. And now he wants authority to borrow $12 billion to help the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) who has a $3.1 billion oil import compensation bill to meet—

An hon. Member: At a minimum.

Mr. Crosbie: —at a minimum. Or is it $4 billion, or is it $5 billion? And the House is being asked to authorize $12 billion for this profligate minister, this silent minister, this demure minister, this shy minister, this reluctant minister—

Some hon. Members: Hear, hear!

Mr. Crosbie: Tell us how much of that is for the oil import compensation program. Perhaps the people of Canada are interested. Perhaps they are not. I don't know. This is the minister who refuses to have the House of Commons finance committee look into the question of the interest rates. The same group of people who last fall were so anxious to examine interest rates no longer want Parliament to look into the interest rate question at all. Has the minister had a quick change in his thinking?

An hon. Member: You just don't show up, John!

Mr. Crosbie: I am getting ready for the business of the House here. Mr. Speaker, have you ever heard the carrion crow? We are certainly hearing a lot of crowing and cawing tonight. Just listen. The House of Commons opened on April 14, 43 days ago. This government took office on March 3, 85 days ago—it seems like 85 years—and there has not been a single initiative in the financial area or the economic area to help the people of Canada in all that time, not one, except for the bill which went through the House tonight, the one the Liberals and the NDP filibustered to stop it going through, the $35 additional assistance to old age pensioners. It was filibustered by the Liberal and NDP members.

Mr. Speaker, there have been only two issues in which this government has been interested—Quebec and patronage. This is all they have had on their minds in those 85 days. Only two issues have they faced—the Quebec separatist issue and patronage, and we don't know which comes first. Both are very much on their minds. This is a guano government which believes in fouling its own nest. That is what it is doing. I asked a question in the House yesterday. I asked how much of this money is going to be used in connection with the refusal of the Minister of Transport (Mr. Pepin) to put the water transport assistance directorate down in St. John's, Newfoundland, where it was promised it would go on February 16, 1979. How much is being spent on that, and the counteraction of that move, if it is to be counteracted?

How much of the money borrowed will be spent on the Port Hope finagle, the movement of the uranium refinery from Port

Hope to Northern Ontario? How much will be spent on stopping the move of the regional forestry office from Cornwall to Peterborough? How much is to go to Charlottetown in additional expenses caused by the interference of the Minister of Veterans Affairs (Mr. MacDonald) in the location of the site of the DVA building down in Charlottetown? A shameful record of patronage.

Mr. Speaker, one out of every four of the tax dollars paid by the Canadian people this year will go toward payment of interest as a result of the honourable spendthrifts opposite, with the Minister of Finance (Mr. MacEachen), the Sysco Kid, leading the ranks. How much of this borrowed money will go to the Sysco plant? When will the minister follow up on his commitment to the Sysco plant down in Cape Breton?

Our position is this: five months ago, practically six months ago, our government was defeated because of the budget which I presented to the House.

An hon. Member: The people didn't want you any more!

Some hon. Members: Oh, oh!

Mr. Crosbie: Honourable howling monkeys opposite. They are either monkeys or donkeys. Even with the majority they have, they are afraid to listen in case I might induce some of them to cross the floor. Almost six months ago, hon. gentlemen opposite defeated the budget we put forward outlining our plans for dealing with the economic problems facing the country. Why are they now so reluctant, having defeated our proposals, to come forward with their own? They were so ready to defeat us on December 13 that they called members in from the hospitals with their ruptures, their hernias, and everything else. They risked the lives of those people to defeat the government. They are afraid, now, to bring in a budget of their own. When do they propose to tell the people how they intend to deal with the problems facing the economy?

What about the 6,000 miners up in Labrador city and Wabush who have just been advised they will be laid off in the month of July because of the reduction in iron ore sales to the United States, the immediate effects upon Canada of the U.S. recession? Why doesn't the minister bring in a budget telling us what he intends to do, or not do, about this recession?

May I call it ten o'clock, Monsieur Speaker?

Some hon. Members: Oh, oh!

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SPORTS—FINANCIAL ASSISTANCE FROM LOTTERIES

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my question on the late show this evening has to do with two questions, really. One was posed on May 1, as reported at page 600 of *Hansard*, by the hon. member for Vancouver Centre (Miss Carney) to the minister responsible for fitness and amateur sport, and the other was my question on May 26 of this year as reported at page 1392 of *Hansard*. I believe the minister responsible for fitness and amateur sport, the Minister of Labour (Mr. Regan), or whatever his title is, is just not quite sure of what is going on in the lottery field. In view of the new face on federalism the Prime Minister (Mr. Trudeau) is now trying to portray to Canada, I am sure the Prime Minister would like his ministers to recognize that such jurisdictional questions as resource taxation, offshore mineral rights, federal spending power, federal trade and commerce power, communications and lotteries are as important and valid as patriation of the constitution.

How can the Prime Minister allow a minister—a former premier—to break an agreement with the provinces which was duly signed by the federal and provincial ministers, his conterparts, and scrutinized under the guidance of the Privy Council Office and by the Department of Justice? How can he expect any provincial government to believe him in the future?

An hon. Member: That is what you did.

Mr. Paproski: The provincial governments have now accumulated $170,000 in interest, and I doubt whether the federal government will ever receive that money. I realize that the former premier does not think the amount is much. After all, his salary and perhaps a few additional trust funds make that look like peanuts.

An hon. Member: Come on, that is not like you, Steve.

Mr. Paproski: However, Your Honour, athletes, ballets, symphonies, the Stratford Theatre and small theatres can use that money, and they can use it right now. The agreement was made by the ten provinces. The cheque was paid one day ahead of time. It was due on March 31. It was accepted by the executive assistant of the Minister of Labour, sent back on April 14, and the cheque was approximately $6,150,000. The next cheque will be due on June 30. I wonder whether that will be sent back.

I want just to bring this House up to date on the agreement because I think this minister is really not aware of what has happened. I do not like to talk about former ministers who are not in the House any more. My predecessor was a good minister; nevertheless, she did not have an agreement, and I would just like to express this to the House.

On January 14, 1980, as minister of state for fitness and amateur sport I announced that the cabinet had approved the equal splitting of lottery revenues for arts and culture and fitness and amateur sport by endorsing the terms of the recent federal-provincial agreement on the transfer of Loto Canada to the provinces.

The cabinet had agreed that the $24 million guaranteed annually from the provinces, and indexed from 1979 to the cost of living, would be shared equally, with $12 million being directed to amateur sport, fitness and physical recreation programs, and $12 million to arts and culture programs.

The $24 million annual Loto revenues would have been over and above the funds voted by Parliament, that is, incremental to the budget.

I was most pleased to provide Canadians with an example of the practical benefits which do result from a co-operative approach to federal-provincial relations. The provinces had gained new funding. The public would have seen less of its lottery dollar eaten away by duplicate advertising and administrative costs, and the federal government had a source of revenue totally secure against both inflation and government spending cuts to devote to the cultural and physical well being of our citizens.

By dedicating the funds to these two areas the federal government was demonstrating its commitment and increased support to two very important areas. During the previous four years Loto Canada had only provided an average of $2.5 million per year to fitness and amateur sport.

I would like to read the agreement. This was sent to all ministers, but perhaps the minister does not have a copy of it, so I should put it into *Hansard*.

● (2205)

My Dear Minister:

On behalf of the Government of Canada, we are pleased to confirm the agreement reached at the August 21 meeting in Ottawa, the principal terms of which are as follows:

(1) The Government of Canada, through its agent Loto Canada Inc., will withdraw from the sale of lottery tickets, effective December 31, 1979.

(2) The Government of Canada will cause Loto Canada Inc. to be wound up after December 31, 1979, under the Canada Business Corporations Act, as quickly as legal, financial and administrative requirements permit.

(3) On and after January 1, 1980, the provinces will jointly remit annually to the Government of Canada the sum of $24 million payable in quarterly instalments of $6 million and adjustments, commencing April 1, 1980. The provinces shall agree—

I should like to emphasize that this was in 1979 dollars connected with the CPI. It continues:

—among themselves as to the proportion to be paid by each province.

Each quarterly instalment shall be adjusted as to reflect the effects of inflation, utilizing the consumer price index as the standard of measurement and 1979 as the base year.

This was signed by the then minister of state for fitness and amateur sport, the hon. member for Edmonton North (Mr. Paproski); the Hon. David MacDonald who was then secretary of state; the then minister of state for federal-provincial relations, the hon. member for Perth (Mr. Jarvis). Also it was signed by ministers for the provinces of Alberta, Nova Scotia, British Columbia, Prince Edward Island, Manitoba, Ontario, New Brunswick, Quebec, Saskatchewan and Newfoundland. It was completely signed, sealed and delivered.

It continues:

In view of the fact that this agreement is expected to result in increased earnings for provincial lotteries:

(a) the provinces of Alberta, Manitoba and Quebec will assume responsibility for any Government of Canada share (estimated to be $13.5 million) of the costs relating to the expansion, upgrading and renovation of the NHL arenas—

That is what the previous minister did for professional sports arenas. Fine, we looked after that.

It continues:

(b) The province of Ontario agrees not to request financial assistance from the Government of Canada in respect of the Royal Ontario Museum.

We looked after that. Also Alberta looked after the Olds disaster fund for the fire in Olds.

It continues:

On or before October 1, 1979, the provinces of Ontario and Quebec will each remit the sum of—

It was close to $2.6 million.

It continues:

—owed to Loto Canada Inc. under the Loto Select memorandum—

That was another problem the minister had.

It continues:

This agreement may only be terminated with the unanimous consent of the provinces and the Government of Canada.

It was signed, sealed, and delivered. I am sorry I do not have enough time to read the entire agreement, but that will give the minister a little bit of information about what was going on. It is unfortunate the minister is not here because I am sure he could have learned something this evening.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I can assure my colleague opposite that the minister responsible for physical fitness and amateur sport indeed will hear what he had to say in the House tonight. I might mention that I am slightly disappointed in that the hon. member mentioned things which of course were extraneous to the matter before us. There are a few things I should like to point out.

First of all, there is some question as to the legal validity of the August, 1979, letter agreement between the provinces and the former Progressive Conservative government that led to the federal withdrawal from the lottery business. Parts of the letter agreement are vague and incomplete. It cannot be considered the necessary formal federal-provincial agreement in that an order in council concerning the matter was never even issued.

Furthermore, the decision to terminate the operations of Loto Canada was shortsighted in that it would significantly limit the federal government's ability to contribute financially toward fitness, amateur sports, arts and culture. Also, it would seriously curtail federal funding of major national events and programs in the culture and sports areas. The hon. member was so proud when he said that we were going to get $24 million a year. Let it be known that the net annual profits of Loto Canada were in the area of $76 million. This member opposite was the minister for sport at the time. He should

know that the former Progressive Conservative government agreed to withdraw from the business in return for annual payments from the provinces of only $24 million.

An hon. Member: Shame!

Mr. Parent: Big deal. We are so willing to give away our money at the federal level where we can carry on national programs, and all for what? Is it so that we can bow again before the provinces?

• (2210)

At a meeting held in Calgary last Friday the organizing committee for the 1988 Winter Olympics formally requested that the federal government re-enter the lottery business to provide a source of revenue for financial assistance. I am surprised that the hon. member would not support such a request from his own home province. I think in fairness it must be said that the hon. member, the former minister, took his responsibilities very seriously as minister for physical fitness and amateur sport. I commend him for that and I would also ask him in fairness to consider all of the aspects of this particular agreement. I know that in some ways the decision reached by him and his government was detrimental to sports here in Canada.

CONSUMER AFFAIRS—INCREASE IN INTEREST RATES OF DEPARTMENT STORES AND OIL COMPANIES—DETRIMENTAL EFFECT ON CONSUMERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on May 22 the chartered banks announced they were reducing their prime lending rate to 13.75 per cent with accompanying drops in consumer lending rates, a trend which was welcomed by most people. The next day I asked the Prime Minister (Mr. Trudeau), in the absence of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), and the Minister of Consumer and Corporate Affairs (Mr. Ouellet), whether the government would call in the executives of organizations such as Visa, Master Charge, the department stores and the major oil companies, Shell, Gulf and Esso, which had announced that in spite of the decrease in the interest rates they were increasing the annual interest rate they charged to their customers to 24 per cent a year. I characterized that kind of increase as a form of legalized loan sharking.

The Minister of State for Finance (Mr. Bussières) replied to my question and gave assurance that the government expected that these rates would be reduced. He said:—

—the Minister of Consumer and Corporate Affairs is zealously watching over this matter, he is very much concerned about it, and he would certainly not fail to take steps to stop any possible abuse.

I asked a supplementary question in which I pointed out that spokesmen for Visa had indicated they made their decision to increase rates on the basis of a six-month period and had no intention of reducing those rates. I called on the government to take some pretty strong action. Again the Minister of State (Finance), made a very vague promise to do something which really amounted to nothing. He said:

Of course all companies, whether in the banking, petroleum or other industrial sectors, are being asked to join in the efforts of the government . . . to help the fight against inflation—

That does not give us much help when we are talking about a very serious matter. These are not local nickel and dime stores.

Let us look at the role these organizations play in our economy. Visa and Master Charge account for approximately $5 billion a year in merchandise and cash advances. Visa has 6.7 million card holders in Canada; Master Charge has 2.2 million credit card holders; Eaton's has 2.4 million credit card holders; Sears has two million credit card holders, and Imperial Oil has 1.5 million credit card holders. We are talking about a very substantial portion of the Canadian people.

It has been estimated that 40 per cent of Chargex customers pay their entire bill each month. That means 60 per cent do not. Those 60 per cent will be charged 24 per cent annual interest on the money which they owe Visa. Approximately 50 per cent of the customers of Master Charge pay their accounts every month. That means that 50 per cent of the 2.2 million Master Charge customers will be paying interest at the rate of 24 per cent per year.

• (2215)

I am not talking about small companies. I have not been able to get the financial statements of Master Charge and Visa because they are part of the bank operation and their profits are folded into the bank profits. I tried to get this information, but it is not available to Canadians because, like the statements of other Canadian businesses, it is kept secret from Canadian citizens.

However, I have had an opportunity to look at bank assets and profits. The assets of the Bank of Commerce increased in the six years beginning in 1973 from $16.1 billion to $45.9 billion in 1979. That is an increase in assets of 300 per cent over that period. If we look at the profits of other banks, we see the same picture. In 1973 the Toronto Dominion Bank had profits of $52.7 million, and by 1979 their profits had increased to $160.4 million. The Bank of Nova Scotia had profits in 1973 of $56.8 million and by 1979 they had gone up to $180.9 million. The profits of these banks in those six years increased by over 250 per cent.

The same can be said with regard to oil companies. For the first three months of 1980 as compared to the first three months of 1979 there was an increase in the profits, for example, of Shell by 93 per cent, of Imperial Oil by 70 per cent, of Texaco by 93 per cent, and of Gulf by 72 per cent. Given those figures and the tremendous profits of these companies, it can be said that they are involved in a form of legalized robbery.

I call upon the government to take action to stop this unconscionably large increase which Master Charge and Visa are proposing.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, in the last six weeks there has been a 4.5 percentage point decline in the

general level of interest rates. This is a relevant point to make with regard to credit cards because what we see now is a situation where the individual consumer has a great many options in the market place apart from credit card borrowing. Consumers can now borrow from banks, trust companies and credit unions at rates which are now declining at a very substantial rate and in a very significant way.

With regard to credit cards, I think that it behooves this House to say that no individual in this society has been forced to take out a credit card or to borrow on that credit card, and that there are alternatives to borrowing on that credit card which are now, with the declining interest rates, becoming very reasonable, as opposed to what they were a few months ago, particularly with regard to the cost of credit card borrowing.

Indeed, 24 per cent is a very high rate, and I agree with the hon. member that any individual who has the option should not borrow at that rate. And individuals do have that option. If one is granted a credit card, one typically has a good credit rating. We would encourage, if one is looking for funds, that one not borrow from the credit card companies, but rather through the form of a consumer loan which can be obtained at a much lower rate and which is available to anyone who qualifies for a credit card.

It is also interesting to note that individuals who have credit cards can buy goods and services with them and take up to 50 or 60 days after they have made the transaction to pay. If they pay during that period they incur no credit charge whatsoever. They have had, effectively, 50 to 60 days free use of money.

• (2220)

An hon. Member: If they bought it in Mexico.

Mr. Evans: As a result, there is no interest paid whatsoever. Certainly if they go beyond that period, this government wants to ensure that the consumer knows clearly what the terms and conditions of that credit card are, and what the rates of interest going to be charged by that company are. If the consumer, knowing all the facts, decides to use the credit that is available through credit cards, then in those cases he or she knows what she or he is doing and can make that decision. The fact is that if you pay for your credit card within a period of 50 or 60 days, depending upon when you purchased and when your billing date is, no interest whatsoever is incurred.

Clearly, as the hon. member has pointed out, a great many individuals—40 per cent for Chargex and 50 per cent for Master Charge—are taking advantage of the cards and are using, effectively, the banks' money for a period of 45 to 60 days, paying no interest whatsoever.

I agree that beyond that period 24 per cent is a high rate that should not be paid by consumers if they have any alternatives whatsoever. I can assure you, Mr. Speaker, that in the market place today there are consumer loans available from a great many institutions at much lower rates. We would encourage consumers to seek out those loans rather than using the credit card as a vehicle for financing their expenditures.

Adjournment Debate

TRANSPORT—STUDY OF "AT AND EAST" FREIGHT RATES

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my reason for asking for this late night debate arises from a question I asked of the Minister of Transport (Mr. Pepin) on May 23, which will be found at page 1354 of *Hansard*. I asked the minister if he had any intention of referring the "At and east", or Atlantic and eastern, flour and feed subsidies to a committee or a committee of inquiry. The minister apparently was not aware of what my question meant. The point I should like to make is that it is a question that I would have asked the minister but I have been given unanimous consent when we were in Committee of the Whole and when he had his officials with him so that he would have then had the ability to answer this question.

The other reason I found it necessary to ask this question is that the minister answered the hon. member for Vegreville (Mr. Mazankowski) in Committee of the Whole when the hon. member asked if he was going to refer the statutory rate for the movement of grain in western Canada, known commonly as the Crow rate, to a committee or a commission of inquiry. The minister said yes.

Unlike some other hon. members, I am pleased to see the parliamentary secretary to the minister present tonight because he is the only person who has given me an answer when I have sought information in this House, and I compliment him for that.

The Atlantic and eastern flour subsidies were set in November, 1960. The grain was to move at November, 1960, rates, and flour was to move at September, 1966, rates. This is western grain moving from eastern ports. It could move in relation to any of the railway points along Georgian Bay, along Lake Huron, along any waterways directly or indirectly connecting with Lake Huron, not being further east than Prescott, but including Prescott; in relation to flour it was any point in Canada east of the 90th degree of west longitude.

The ports are defined as the ports of Halifax, Saint John, West Saint John, any other points on the St. Lawrence River east of Montreal, including Montreal. This is for the movement of western grain to eastern ports. This is probably as important to the people of Ontario and east as it is to the people of western Canada.

If the minister says he is going to look at and study—and I am always concerned when people "look at and study" that they do it with something in mind—they are planning to study the Crow rate and I would think that is with something in mind. If the minister is going to look at one form of subsidy, I strongly recommend that he look at the other forms of subsidy.

• (2225)

Along with looking at the subsidy there is a question of the legality of Ontario grain moving at subsidized rates on the "At and east". This is done by shipping Ontario grain west and then bringing it back into the system and letting it continue on east at a subsidized rate. This rate on use of Ontario grain to be shipped east on a supposed program to complement western

grain is increasing now to a point where it is almost one fifth, or 18 per cent, which I think is the exact amount last year, of the total grain moved at the "At and east" freight rate that actually came from Ontario. This is fine, but if we are going to have a subsidy, we should have a subsidy that covers Ontario grain. We should have it out in the open, up front, so that we all know whose grain is moving at what subsidy.

The concern that I have is that the minister is aware of some of the problems we will have. If he is going to consider the change, as he did on the Crow rate, we would suggest that he also consider looking at, although I am not recommending change, the "At and east" freight rates. I know that I will receive an answer from the parliamentary secretary that will probably set my mind at ease.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member has already described most of the information that is pertinent to the "At and east" rates.

The "At and east" rates and the subsidy mechanism are defined in section 272 of the Railway Act. The subsidy applies to grain moving for export by rail from points along Georgian Bay and other points east to Prescott, and to flour moving for export from any point in Canada east of Thunder Bay.

The federal government pays the railways a subsidy to cover the difference between the frozen rate and a compensatory rate. The so-called "At and east" grain rates were initially introduced for the export of western grain by rail in carload lots from ports located along Georgian Bay, the lower lakes and the upper St. Lawrence to Montreal and maritime ports. Traditionally, these rates had been closely related to American rail rates for movement from Buffalo to ports on the Atlantic seaboard in order to offset the economic advantages of the U.S. route. The term "At and east" therefore initially referred to Canadian rates which would be comparable to Canadian rates on the movement at and east of Buffalo.

Since 1966, subsidies have been paid to the railways on the basis of the difference between the frozen rate level and a compensatory rate level determined periodically by the Canadian Transport Commission.

The "At and east" subsidy represents a considerable cost to the treasury. The repeal of section 272 of the Railway Act was incorporated in the anti-inflation omnibus bill but was removed because of the possible impact upon the Georgian Bay and maritime ports and elevators. The "At and east" subsidy payments in 1977 for grain and flour amounted to $27.4 million. In 1978 the subsidy on the same commodity amounted to $25.5 million. I personally respect the logic of the hon. member for Kindersley-Lloydminster (Mr. McKnight) when he points out that if we are going to look at one, we should be looking at the other. But to date no decision has yet been reached either on a commission of inquiry for the Crow rate or a similar commission for the "At and east" rate.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, May 28, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

BALTIC EVENING

RECOGNITION OF CONTRIBUTION TO CANADA OF CANADIANS OF LATVIAN, LITHUANIAN AND ESTONIAN DESCENT—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I move a motion under the provisions of Standing Order 43 which I hope will receive the unanimous consent of the House.

Having regard to the function which is to take place on Parliament Hill this evening, I move, seconded by the hon. member for Etobicoke-Lakeshore (Mr. Robinson):

That this House, in recognition of the contribution to Canada of Canadians of Latvian, Lithuanian and Estonian descent, welcomes their honorary consul and representatives of the respective communities to the eighth annual Baltic Evening on Parliament Hill.

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

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to such a motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

HOUSE OF COMMONS

TWINNING OF EASTERN MPs WITH ALBERTA RIDINGS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I propose a motion, under the provisions of Standing Order 43, on a matter of current concern to the citizens of Alberta.

It concerns the government party's announced plan to twin eastern MPs with Alberta ridings. I move, seconded by the hon. member for Athabasca (Mr. Shields):

That east is east and west is west and never the twain shall mate, and that Senator Olson be applauded for his courage in proceeding with the formation of the Alberta chapter of the Gemini Lonely Grits Club.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN ARMED FORCES

ASSISTANCE IN FIGHTING FOREST FIRES—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

Since the Leader of the New Democratic Party (Mr. Broadbent) has been quoted in the press as having confused Manitoba officials by stating that the provinces are liable for 100 per cent of the costs of military aid in firefighting, and considering that provinces are not charged for salaries of regular armed forces members employed in firefighting—nor are they charged for use and maintenance of equipment—and considering that charges made to the provinces for incremental costs are, in fact, a small percentage of the costs of the Department of National Defence to provide these services, and that this represents a much smaller cost to the provinces than such services provided by other sources, I move, seconded by the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins):

That the Leader of the New Democratic Party correct his statement regarding services supplied by the armed forces in order to eliminate the confusion he has caused and in order to give credit to the very excellent work of the Canadian Armed Forces in assisting the provinces and Canadian citizens threatened by forest fires.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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STANDING COMMITTEES

CONVENING OF JUSTICE AND LEGAL AFFAIRS COMMITTEE—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Thirty-second Parliament has now been in session for some 44 days, and as yet there has been absolutely no move to

organize the Standing Committee on Justice and Legal Affairs. In view of the fact that there are important questions of immediate national urgency facing our country, involving the Minister of Justice and the Solicitor General, among others, and there has been no action by the government to constitute this important committee, I have made arrangements, in connection with the appropriate House officials, for a committee room and time to assemble interested members of Parliament to constitute and organize this committee. Therefore, I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence):

● (1410)

That this House directs that the organizational meeting of the Standing Committee on Justice and Legal Affairs be held at 8 p.m. on Thursday, the 29th day of May, 1980, at room 306, West Block.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ENVIRONMENT

DAMAGE CAUSED BY FOREST FIRES—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that forest fires are raging throughout parts of several provinces, especially Ontario, Quebec and the prairies, and that some of these are still out of control, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the Minister of the Environment conduct immediately an assessment of the damages inflicted by those fires on Canada's over-all environment, including Canada's inventory of accessible forest stocks, and that he table the results of such an assessment without any delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ABORTIONS

REQUEST CRIMINAL CODE BE AMENDED TO CONFORM WITH BILL OF RIGHTS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, under Standing Order 43, to present an urgent and pressing matter.

Whereas the Canadian Bill of Rights guarantees the rights of individuals to life, and whereas an unborn child is an individual, and whereas thousands of unborn individuals are denied the right to life because of our abortion laws, I therefore move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House urge the government to bring in legislation to amend the Criminal Code in regard to abortions, to conform with the Canadian Bill of Rights.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC SERVICE

DEMONSTRATION ON PARLIAMENT HILL—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the President of the Treasury Board (Mr. Johnston) did not appear in front of the Parliament buildings today to receive the presentation of the public employees of this country in their protest of the meagre 5 per cent raise they have been offered, as opposed to the first-class air travel offered to members of Parliament, which they do not want, the 7 per cent raise that is given in the first year to members of Parliament, and the fact that we had a 9.1 per cent increase in the cost of living last year, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House suspend its regular duties momentarily to have the House accept the presentation in the form of a wooden nickel that we would like to present at this time to the President of the Treasury Board.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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RENEWED FEDERALISM

STUDENT PARTICIPATION IN CAUSE OF NATIONAL UNITY—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact Quebec's referendum resulted in strong support for Canadian unity, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House acknowledge the message received from the students of the history club of Notre Dame College, in Wilcox, Saskatchewan, who are deeply conscious of the strong attachment of the French Canadians of the province of Quebec to their culture and their determination to work for a renewed federal-

ism. I would like to pledge their good will to work toward understanding the Quebec viewpoint and thus facilitate a frank dialogue toward a more prosperous, equitable and serene federalism which will result in a stronger Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

FUTURE OF POST OFFICE IN FREETOWN, P.E.I.—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise, pursuant to the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that there is widespread fear among the residents of Freetown, P.E.I., that the Freetown post office may be closed, and in view of the fact that almost 100 per cent of the boxholders using that post office have signed a petition against the closing, which has been sent to the Postmaster General, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

● (1415)

That this House instruct the Postmaster General to immediately make known to this House, as well as the residents of Freetown, his plans for the Freetown post office, so that he can honour his commitment made in this House on April 17, 1980, that being that he would consult with the elected representatives of the Parliament before any reductions in postal service would be made.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

ALBERTA—COMMENT OF MINISTER OF ENERGY ON SOVEREIGNTY-ASSOCIATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Prime Minister, who I am sure shares my satisfaction at the positive attitude taken by governments across the country to the prospect of co-operating to reform the constitution. The Prime Minister knows the importance of nurturing that good will if we are, in fact, to achieve that kind of reform.

My question concerns the action of the Minister of Energy, Mines and Resources who yesterday, in a prepared speech, suggested that the motives of the government of Alberta were " to get economic sovereignty with political association".

I wonder if the Prime Minister would tell the House whether the Minister of Energy was speaking for the federal government when he attributed a motive of sovereignty-association to the government of Alberta?

Mr. Nielsen: What did you say, Marc?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I agree with the Leader of the Opposition that we must maintain the spirit of Canadianism which has emerged in the past weeks. I have to admit that I have not read the speech that he refers to, although it is my custom to attempt to do so in advance. I have not had the occasion to do so at this time. However, I am informed by the minister that he mentioned no province in his speech.

Mr. Crosbie: Watch your nose, Pinocchio.

Mr. Clark: Madam Speaker, let me direct a question to the Minister of Energy, Mines and Resources. He will recall, having read the speech last night—a deliberately prepared speech—that the great bulk of the references prior to that particular paragraph were to the province of Alberta. If the minister was not referring to the province of Alberta, will he stand in his place and assure the House that he does not accuse that government of those motives; and will he tell the House of Commons to whom he was referring?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I must point out that the Leader of the Opposition, in his question, misquoted what I said by saying it applied to the government of Alberta. The paragraph in question reads as follows:

We just came out of a referendum in which we fought hard for a united Canada. We defeated those who wanted political sovereignty with economic association. We did not carry out this difficult battle to get economic sovereignty with political association.

That is the end of the paragraph.

Some hon. Members: Hear, hear!

Mr. Lalonde: That is the sum total of the paragraph, Madam Speaker, and if the Leader of the Opposition thinks that the hat fits the government of Alberta, that is his judgment.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the Minister of Energy, whose reputation and capacity for reconciliation is unparalleled in the land, will know that the immediately preceding seven, eight or nine paragraphs in that speech referred specifically to the province of Alberta. The conclusion was there to be drawn,

and has been drawn by commentators and no doubt by the government of Alberta.

But the minister can clear it up. He can stand in his place now and make a categorical statement that he does not accuse the government of Alberta of those motives, and he can tell us to whom he did direct those comments, to whom he was referring when he made that statement from a prepared text yesterday.

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, the Leader of the Opposition referred to the immediately preceding paragraph.

Some hon. Members: Oh, oh!

Mr. Andre: Try honesty.

An hon. Member: Tell the truth.

Mr. Lalonde: Calm down:

Economically, looking ahead, Canadians have every reason for optimism.

An hon. Member: Answer the question.

Mr. Lalonde:

We have barely begun to tap oil and gas in our Arctic and offshore territories. If we can survive politically, we can, in not too many years, be the strongest democracy in the world. And we can survive if we realize that our fortune and our freedoms hinge on our interdependence.

That is the preceding paragraph.

Some hon. Members: Hear, hear!

Mr. Lalonde: The following paragraph, which I quoted in this House just now, applies to any and all provincial governments to whom it may fit. It applies also to the whole of our country.

● (1420)

As I said, we fought hard in the province of Quebec in particular to ensure that the solutions to the problems in this country would be within the federal system. I think we should fight just as hard against all those who are going around and saying that the federal government—

Some hon. Members: Who?

Madam Speaker: Order, please. I will now allow the minister to complete his answer.

Mr. Lalonde: I will finish by saying that the hat fits so many people on the other side, I will let them pass judgment.

Mr. Clark: Madam Speaker, I will spare the House the tedium of reading earlier paragraphs, except perhaps initial sentences in them, those immediately preceding the ones cited by the minister.

The first one, "The Alberta government"; the next one, "The Alberta government"; next "But in fact, Alberta's conventional oil revenues"; and, "Alberta's industrial base." They are clear references to one province. Now the Minister of Energy has broadened his accusations not simply to deal with the province of Alberta to which he was referring in the prelude of this statement but to include members on this side of the House of Commons.

Will he tell the House of Commons who, specifically, he had in mind? Who is this enemy that he wants to have the Government of Canada take on? Who is the straw man? With whom is he seeking a conflict and a war as we enter a period that is designed to achieve agreement on constitutional reform? Who are the enemies here, in the minds of the Government of Canada?

Some hon. Members: Hear, hear!

Mr. Lalonde: The answer is very simple, Madam Speaker. Indeed, it applies to all those in this country, whoever they are, who think that this country can still go on as a federal country while turning the federal government into a mere agency of the provinces. We do not believe that this is the way of the future of this country.

Some hon. Members: Hear, hear!

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In the interests of calm, I want to point out to him that that paragraph—

Some hon. Members: Question.

Mr. Jarvis: Really, Madam Speaker, I think this is a terribly crucial thing leading up to the June 9 conference. The minister will realize that if it is not Alberta, then Saskatchewan, British Columbia and Newfoundland could all interpret that speech, with every justification, as referring to them. If the minister does not intend that, surely in the interests of this forthcoming conference he will wish to take this opportunity to correct what one might suggest is a wrong assumption. I give him that opportunity at this moment. If he was not directing his remarks to Alberta, will he clarify that neither is he directing them to those other three provinces?

Mr. Lalonde: Madam Speaker, I am not going to add anything to what I said.

Some hon. Members: Oh, oh!

Mr. Lalonde: It is quite clear in my speech. I specifically said in my speech earlier that as far as the producing provinces are concerned, their viewpoint is understandable. The government of Alberta has argued it well and forcefully. What is not so well understood is the federal viewpoint. What I have stated is the perception of Canada as I see it and as I believe this side of the House sees it. That is what we are going to defend.

Some hon. Members: Hear, hear!

Mr. Jarvis: My supplementary question is to the Prime Minister, who not many days ago led this House in one of the

most moving afternoons that we have ever spent, in my view. I give him full marks for it. But I am terribly distressed when I see the reaction of various provinces, particularly Alberta, because for some reason they thought those remarks were directed right at them, though I am equally concerned with the other provinces I have mentioned.

So would the Prime Minister please take this opportunity to indicate that the minister was maybe negotiating, by long distance, a new energy contract or something like that, and that it had nothing to do with constitutional discussion? In the interest of all of us, not in a partisan interest, would he please take this opportunity to correct what is obviously a very bad proposition advanced by his colleague?

● (1425)

Some hon. Members: Hear, hear!

Mr. Trudeau: I accept the plea put forward by the hon. member, and I want to tell him that as far as the government is concerned we will approach the meeting which has now been arranged for June 9 in the conciliatory spirit which was present in this House last week. But I would add, because of the previous questions and the debate which has taken place, that the minister was not speaking in a vacuum. We have heard premiers take some pretty strong positions.

Some hon. Members: Who?

Mr. Clark: Name them.

Mr. Trudeau: I do not think members opposite are ignorant of what several premiers have defined in the past few weeks.

Mr. Clark: Which ones?

Mr. Trudeau: Madam Speaker, on the one hand I have a member who is asking me to be conciliatory, and on the other I have the Leader of the Opposition who is asking me to name names. I will name one name for starters, and I apologize in advance to the premier for bringing him into the debate.

Premier Peckford was here on the evening the referendum votes were counted, and he defined federalism, the federal government, as an agency of the provinces. Now, this is not our view. I hope it is not the view of the opposition. I am not sure if it is the view of Mr. Peckford himself; perhaps it is a bargaining position. I am prepared to receive him with open arms in spite of his statement but I think he should realize that there are people on this side who do not accept his image of the federal government as being a mere agent of the provinces. That is what the minister is staking out as our position, and in that I support him.

Some hon. Members: Hear, hear!

Mr. Jarvis: A final supplementary. I can agree with the concern about Premier Peckford's speech with respect to the federal government being an agency, though I respect his right to say it. What concerns me is that the Prime Minister now seems to be associating himself with the sovereignty-association implications in the address given by the Minister of Energy last night. I hope I have misinterpreted him, but that was the nature of the Prime Minister's answer to me. The talk about the federal government being an agency is not sovereignty-association.

Madam Speaker: Order, please. It must be a question, not argumentation about what has just been heard. Please ask a very brief question, because the hon. member is on his third question.

Mr. Jarvis: Without wishing to embarrass his colleague, will the Prime Minister make it clear that he dissociates himself from any idea of accusing any premier, of whatever province, of advocating sovereignty-association?

Mr. Trudeau: Obviously not, because there was a referendum battle fought in Quebec precisely on that issue. But if the hon. member is talking about accusing any province of seeking economic sovereignty in political union, I think there have been signs in Canada of a tendency to downgrade the federal government and to give the provinces a type of overwhelming economic "say", which would be corrosive to the type of Canada we seek. I believe there are a lot of people in Canada who share this worry and who would only applaud—

An hon. Member: Do you?

Mr. Trudeau: Yes, I applaud the dichotomy made by the minister, in the sense that there can be dangerous tendencies not only toward political sovereignty of provinces but toward economic sovereignty of provinces, and I support him.

Some hon. Members: Hear, hear!

* * *

● (1430)

PUBLIC SERVICE

DEMONSTRATION ON PARLIAMENT HILL BY MEMBERS OF PSAC—NEGOTIATIONS TO SETTLE DISPUTE

Mr. Rod Murphy (Churchill): Madam Speaker, my question is to the President of the Treasury Board. Visitors to the Hill today from the Public Service Alliance of Canada were disappointed that the minister did not come out to receive a rather large token of their small esteem. By the way, that token is in my office and the minister can pick it up after the question period.

In view of the fact that the clerical and regulatory group of the PSAC have been without a contract since last November, and in view of the rather successful intervention of the Postmaster General in the postal workers' dispute, would the President of the Treasury Board please intervene personally in the negotiations which are going on with the clerical component, and make sure that the offer is more than the paltry 5 per cent being offered at the present time?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, some time before the demonstration to which the hon. member has made reference, I instructed my department to attempt to bring the parties back to the bargaining table in a meaningful way in order to arrive at a just and fair settlement.

I should point out to the House that the 5 per cent offer to which the hon. member refers was made in January of this year, so one might regard it as a rather "conservative" offer.

Mr. Murphy: Madam Speaker, since the offer was "conservative", I presume the Liberals are offering nothing. Can the minister assure this House and the workers involved in the clerical component that the government will not try to institute a clause—which it has in quite a few public service agreements—which will discriminate against people who will quit the public service prior to the date of the signing of the contract? Will the government assure the people that it will not try to insert this type of clause and, therefore, deny a large number of people the pay raise they should have received if negotiations had gone on at a reasonable pace?

Mr. Johnston: Madam Speaker, I take notice of the hon. member's representation. I would like to point out that the reason for the pace has not been the fault of my department or the government. As I say, we hope to bring this matter to a rapid, fair and equitable conclusion.

Mr. Murphy: Madam Speaker, I am glad the minister is taking notice. Since he has already agreed that the last offer was made by the previous government, he must have some responsibility for the lack of progress.

In light of the Canadian Human Rights Commission ruling yesterday that the government is discriminating against at least 3,000 public servants, most of whom are women, since the discrimination exists in violation of the equal pay for work of equal value clause, and in view of the fact that a large number of the members of the clerical and regulatory component are women, is the minister now willing to accept the ruling of the Human Rights Commission and reimburse workers who are denied equal pay for work of equal value?

Mr. Johnston: Madam Speaker, the hon. member seems to be confusing a number of issues. I have already spoken with regard to the general services group and the particular case in point, and I have indicated in this House that the Treasury Board will be discussing with the Human Rights Commission a means of making a proper and fair settlement of that particular complaint.

* * *

TREASURY BOARD

LIST OF PROJECTS WITH COST OVERRUNS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the President of the Treasury Board who, the House will recall, two weeks ago yesterday, filed with the Committee of the Whole House a list of 497 current projects which the minister had found with potential cost overruns of $1.062 billion which, linked to the $1 billion in overruns revealed by the Treasury Board last January, means that bureaucratic bungling and mismanagement may cost the average worker in this country over $200.

Would the President of the Treasury Board now indicate to the House why, in making his filing over two weeks ago, he failed to disclose $200 million of further overruns and yet represented that the entire $1.062 billion in overruns was included in his filing?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I take notice of the hon. member's representation. He put the question to me at the time. He recently occupied the post of president of the Treasury Board, so I presume he had this information at his fingertips, and I am surprised he did not make it available to me when I was answering his question in the House.

I used the information which I had available. I and my officials filed the information which was requested. I will look into the matter the hon. member has raised and report back to him.

Mr. Stevens: Madam Speaker, on the specific day to which I am referring, the President of the Treasury Board said he was reading a cost overrun memo which showed that there were 497 projects having a possible cost overrun of $1.062 billion. He offered to table that list in the House. He did subsequently table a list, but forgot $200 million of the overruns. I am now asking when we may expect that added filing to be made, and why did the minister mislead the House?

Some hon. Members: Oh, oh!

Mr. Johnston: Madam Speaker, I take great exception to any suggestion that I misled the House. I produced at the time a computer print-out which I believe was as of December 31, 1979. That is by memory, so I stand to be corrected on that point. The information was made available, I think the hon. member would agree, in a most expedient manner within literally minutes, if not an hour, after he requested the information.

The hon. member has raised a question with respect to other cost overruns, which I have undertaken to look into. But I reject any suggestion that there was the slightest attempt to mislead this House.

Some hon. Members: Hear, hear!

* * *

PARKS CANADA

DECISION TO CANCEL CORNWALL TO PETERBOROUGH MOVE

Mr. Bill Domm (Peterborough): Madam Speaker, my question is to the President of the Treasury Board. It stems from a

recent decision to cancel the Parks Canada move from Cornwall to Peterborough and from a statement made by the President of the Treasury Board in this House on May 13, at which time he reported, and I quote:

—one of the reasons Treasury Board supported leaving Parks Canada in Cornwall is that it is cheaper. It will cost the taxpayers less money to leave Parks Canada in Cornwall than to continue with the move to Peterborough—

I would like to advise the minister that he was in receipt, two weeks prior to that, of a Treasury Board statement. With that knowledge of its costing $1,130,000 to move the employees back to Cornwall from Peterborough, and only $900,000 to move them there in the first place, can the minister answer as to why he figures that that extra cost of $230,000 is cheaper to move them back to Cornwall than to leave them in Peterborough?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I apologize that I do not have that information with me at this time, but I recall very well the exchange of questions and answers and my response to a question by the hon. member for Vancouver South, who formerly had responsibility for Parks Canada, and I made the point very clearly that I was comparing the direct cost of the move from Cornwall to Peterborough with the costs associated with the cancellation of that move.

I made that very clear in my response to the hon. member for Vancouver South, because I had thought that the answer this hon. gentleman read from *Hansard* might very well have suggested that I was taking into account all the costs. So I made that point clear at the time. I still stand by that statement because I verified, upon returning to my office, that that was correct. There are other costs which may be involved over the long term which have nothing to do with the cost of cancelling that move, but I would be very happy to furnish the hon. member with that information.

Mr. Domm: Madam Speaker, the difference I pointed out to the President of the Treasury Board was the difference in the cost of moving the employees either up or back. However, my supplementary question is to the Minister of the Environment, because it appears obvious that the Treasury Board has very little regard for the dollars as it allocates them at the request of ministers.

In light of a mass grievance by the employees of Parks Canada to the National Joint Council, a copy of which was sent to the minister, and in view of the submission to the Treasury Board by the Ministry of the Environment on April 30 confirming that 115 of the 145 employees had signed agreeing to go to Peterborough—which is 79 per cent in favour—would the minister now, in the interest of controlling government waste and excessive cost overruns, agree to reconsider this cancellation, or is the minister supporting this cancellation against the will of the majority of the civil servants in Cornwall?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): No, Madam Speaker, I have no intention of reconsidering a decision which is taken.

I think the hon. member is confusing two things. One is the willingness of civil servants. An hon. member opposite says the hon. member may have confused much more than one or two things, but I think he is confusing, in this instance, two things. One is the willingness of the employees of Parks Canada, as loyal employees, to move. Many of them are ready to accommodate the decisions which are taken within the administration.

● (1440)

There is a great difference between willingness to move and desire to move. While it is quite true that many of the employees of Parks Canada were willing to make that change to Peterborough, it was quite clear to me that by far the majority of them very strongly preferred to stay in Cornwall.

* * *

CONSUMER AND CORPORATE AFFAIRS

AUTOMOBILE MANUFACTURERS—REBATES TO AMERICAN BUT NOT CANADIAN CUSTOMERS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. I should like to ask if he is aware that Chrysler Corporation, General Motors, Ford Motor Company and American Motors have all provided purchase rebates to their American customers, and have failed to provide those same rebates within Canada.

Furthermore, the Chrysler Corporation has provided recall and repair services for American automobiles, and has failed to do this in Canada; instead, relying on a secret warranty program. Finally, the Chrysler Corporation has failed to acknowledge responsibility and rectify major defects in its automobiles in Canada.

Can the minister indicate if he is aware of these problems, and what moves or plans does he have available to obtain for Canadians the same benefits that those corporations provide to their American customers?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am very pleased to tell the hon. member that I am very much aware of this issue. I discussed the problem with representatives from the Automobile Protection Association of Canada, and following that meeting, I wrote the presidents of Canadian companies to inform them of this situation and ask them for corrective measures. I am pleased to tell the House that I have already received replies from two companies, Chrysler and Ford. Chrysler Canada and Ford Canada answered in the affirmative, and from now on Canadian car owners will be offered the same benefits granted American car owners.

[*English*]

PARKS CANADA

DECISION TO CANCEL CORNWALL TO PETERBOROUGH MOVE—COSTS INVOLVED

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the President of the Treasury Board. The minister said that the reason for the cancellation of the move was that it would cost less to keep Parks Canada in Cornwall than to proceed with the move to Peterborough.

Can the President of the Treasury Board tell the House why the submission to Treasury Board of the Ministry of the Environment, dated April 30, 1980, which set out the cancellation costs, makes no mention of the cost of completing the move versus the cancelling of the move? Would the President of the Treasury Board explain how he comes to the conclusion that it would cost less, when the document submitted by the Minister of the Environment makes no mention of the cost of continuing the move to Peterborough?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first of all, I did not say that the only basis for supporting the submission was cost.

Some hon. Members: Oh, oh!

Mr. Johnston: One of the reasons that Treasury Board supported the move was that it costs less. That answer was read by the hon. member who was quoting from *Hansard*. I presume the hon. member would know that we at Treasury Board have the capacity to make our analysis, which is also done when such submissions are presented. That is one of the principal roles of Treasury Board.

Mr. Fraser: I take it from that, Madam Speaker, that the President of the Treasury Board had no submission at all from Parks Canada as to what it would cost to continue the move, as opposed to cancelling it.

May I ask the President of the Treasury Board—who does not seem to want to tell us exactly what cost figures he had—whether it is now Liberal government policy to allow the preference of a minority of personnel in a work group—and it is a minority, because 115 signed their willingness to go—to override the decision that would increase efficiency and save the taxpayer money?

Why did the President of the Treasury Board ignore the legitimate interests of the taxpayers of Canada by refusing to take into account the fact that the move would result in increased efficiency and a saving, on an annual basis, of well in excess of $200,000 from now on?

Some hon. Members: Shame.

An hon. Member: Tell them, Don.

An hon. Member: He looks lost.

Mr. Johnston: In response to the first part of the hon. member's question, Madam Speaker, I was not under the impression that he had asked me to furnish him with the respective costs.

Mr. Fraser: You said you would do it, but you have not done it.

An hon. Member: Will you do it?

Mr. Johnston: The hon. member says that I would give them to him. If I had said that, I will make sure they will be made available to him at an early date.

* * *

AGRICULTURE

DROUGHT ASSISTANCE TO AFFECTED PROVINCES

Mr. Les Benjamin (Regina West): Madam Speaker, I have some questions for the Minister of Agriculture arising from a Canadian Press report out of Regina last weekend which quotes material provided for several cabinet ministers who made a political jaunt out there last weekend, including gimmicks such as MPs touring drought areas. I want to assure the House that that is not necessary. I can tell them now it is so dry out there that every time the wind blows, the dust is so thick that gophers are ten feet up in the air, digging.

Some hon. Members: Oh, oh!

Mr. Benjamin: I should like to ask the Minister of Agriculture a question in two parts. First, can he confirm that the government has accepted the agreement in principle between respective deputy ministers of a 50-50 shared cost on drought assistance based on the 1977 program? Second, would he advise the House if the Government of Canada is prepared to accept requests from Saskatchewan to share the cost of, at least, transportation for screenings from Thunder Bay to the prairies, hay from Ontario to the prairies, and alfalfa pellets from Alberta and Saskatchewan being distributed to livestock producers in the three prairie provinces?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, all I can say to the hon. member is that wherever I was in western Canada from last Friday until late Monday evening, it rained.

Some hon. Members: Oh, oh!

Mr. Whelan: I did not go to Manitoba. But even in the hon. member's area, in the city of Regina, it rained while I was there. I am sorry if it quit when I left.

I want to say that we are well aware of some of the things that have been written in the press, and we are well aware of some of the things that the provincial ministers have said. Our officials have made suggestions. They met in Ottawa yesterday and they are putting together a paper, or they have been putting it together late yesterday and today. It has not arrived on my desk as yet.

I have acted as I believe a good federal government should, and we will act in the same way in the future. But one thing I resent is provincial ministers making decisions for us to abide by. The idea is mutual co-operation and understanding on the terrible situation with which they are being faced at this time. They are incorrect on some of the actions to which they said we had committed ourselves.

Some hon. Members: Hear, hear!

Mr. Benjamin: Madam Speaker, obviously the Minister of Agriculture must have travelled, in the west, on his knees, praying, but he missed Kenora 23 and a few other places where forests are burning.

I asked the minister to confirm whether or not the government accepts the agreement in principle by deputy ministers on cost-sharing, and he did not answer that. Nor did he say what the government's feelings were on the three additional items which the government of Saskatchewan is asking for.

May I proceed to ask him a question regarding a further request of the government of Saskatchewan to the Minister of Agriculture, namely, whether he will request the Canadian Wheat Board to stop moving non-board grains, that means feed grains, from the prairie provinces to eastern Canada until the drought threat is over?

• (1450)

Will he also advise what the stand of the federal government is on the other request of the government of Saskatchewan that the Canadian Wheat Board take control of all feed grain supplies so they can be managed and guaranteed for use, where necessary, at Wheat Board prices?

Mr. Whelan: Madam Speaker, I am sorry if the hon. member misinterpreted my answer. We made even broader suggestions at those meetings in the way of instructions that I and other ministers concerned in western Canada gave regarding the drought, including possibilities of mass irrigation in those areas where there is water.

All of these have strong possibilities, as long as they are put into action before June 15 in order to produce forage, etc., in those areas where water is available. We know water is limited, but we know that we can increase the production of forage in eastern Canada for transportation to the west. We have acted in a responsible fashion in the past along the lines of all these suggestions, as we will again.

Having regard to what the hon. member has said about the Wheat Board, I had discussions with the minister in charge of the Wheat Board about this very matter more than two weeks ago. I understand he has in his hands now all the information concerning feed grains on the prairies at the source and where there is need. I am told that instructions have been issued that a proper banking of this information is to be made available, and that proper stocks be kept in Canada to meet the needs of domestic producers before any further exports take place.

Oral Questions

PARKS CANADA

LOCATION OF REGIONAL OFFICE—COSTS INVOLVED

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of State for Science and Technology and Minister of the Environment and it is supplementary to those posed by my colleagues, the hon. member for Peterborough and the hon. member for Vancouver South.

On May 13, 1980, the minister stated in this House that the government had cancelled the relocation of the Parks Canada regional office from Cornwall to Peterborough because—he said—of the morale of the staff involved. How does the minister reconcile the statement he made on that occasion in this House, as the rationale for that extravagant cancellation decision, with his own statement in a confidential Treasury Board document that I happen to have, addressed to the Treasury Board from the minister which says the department is prepared to contemplate very costly legal suits from the staff involved "for personal suffering, career prejudice, and mental anguish, stemming from the cancellation of the relocation decision."

How does he reconcile the two statements, the rationale he gave in this House and his own statement in a confidential Treasury Board document?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I will try to be brief in attempting to explain what I think is a relatively simple process. I am not going to discuss, nor would the House expect me to, the contents of cabinet documents. I will, however, reiterate for the hon. member the basis, clearly, on which decisions were taken.

As I said earlier in the House, it is my conviction, after conversations with the people involved and after communication in a confidential manner from virtually all the people affected, that by far the vast majority of the people working for Parks Canada at that regional office had a strong desire to stay in the Cornwall area. Just as clearly—as I have said to the House, I think, on several occasions—there are those who would have preferred to move to Peterborough. There was no way, in taking that decision, that we could satisfy all the aspirations of all of the individuals who were concerned in it.

Therefore, while I believe we have met the interests, the desires and the needs of by far the majority of Parks Canada employees, there were those who had made previous commitments to move to Peterborough and who will be financially and otherwise damaged by the decision we took. Those people—not the majority, I believe, but a minority—who had interests at stake could, quite clearly, have taken legal action as a recourse for the damage which had been done to them. I believe it was, therefore, incumbent upon us, as a government, to ensure that those who were damaged—and, I repeat, a minority—by the decision to have their interests fully compensated.

I think that is as clear as I can make the explanation for any possible divergence members on the opposite side might see in

whatever document they may, or may not, have at their disposal and the decision I announced.

Mr. McMillan: Madam Speaker, since the Minister for the Environment is unable to satisfy this House, may I pose a question to the President of the Treasury Board?

The proposal to the Treasury Board from the Department of the Environment which would compensate the Parks Canada employees involved covers every conceivable cost associated with the cancellation of the move. It covers everything from mortgages, to home furnishings, to lost income of spouses, and all the rest. In some cases it involves lump sum settlements of $10,000 to $30,000 per employee.

Will the same type of generous compensation from taxpayers across the country be paid to the province of Prince Edward Island, for example, for the substantial damages to it surrounding the cancellation or at least the change of site in Charlottetown of the Department of Veterans Affairs from the waterfront to uptown, against the interests of the province of Prince Edward Island, in spite of a binding legal agreement and without any consultation with the province involved?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, surely it is apparent that this government has always been, and will always be, fair in its treatment of people who are in any way prejudiced by government action.

Some hon. Members: Hear, hear!

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TREASURY BOARD

COST OVERRUNS OF PROJECTS—REQUEST FOR STUDY

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is addressed to the President of the Treasury Board. I guess the people who watched the "late show" on television realize how difficult it is for the opposition to get satisfactory answers because of claims of not having the statistics in front of them.

Last fall, the Conservative government set about establishing a special committee which would have allowed a much better examination of cost overruns. This is an extremely serious matter, costing taxpayers millions of dollars.

Will the minister set up such a special committee, now, to examine these cost overruns? This is a vital matter to the proper administration of government, and I suggest such action would tend to make the bureaucrats more accurate in future calculations of costs. Will the minister establish such a committee; and why does the minister want to hide these overruns in the public accounts committee?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am sorry, but I missed the last part of the question. Could I just have the last part of it?

Mr. Gilchrist: Yes, Madam Speaker. I asked why the minister would want to hide these overruns in the public accounts committee.

Mr. Johnston: I find that question quite extraordinary, Madam Speaker. The hon. member for Vancouver Quadra, who is a member of the party opposite, is chairman of the public accounts committee and I can think of no reason why he would be interested in hiding cost overruns. It is the duty of the public accounts committee to look into cost overruns. I have previously answered that question fully in the House in response to questions by the hon. member for York-Peel.

If it is the unanimous decision of this House that the public accounts committee is so overworked that it is incapable of looking at these areas of cost overruns, then indeed I would consider the establishment of a committee to do so. They are being actively considered within my own department and all the information in respect thereto, if it has not been made available, will be made available to this House. I can assure you, Madam Speaker, that I have confidence in the chairman of the public accounts committee even if the hon. member opposite does not.

Mr. Gilchrist: Madam Speaker, as a former chairman of the public accounts committee I am sure the minister would know how overworked that committee is in discussing these specifics. I wonder whether he will appear before that committee and go very carefully into these cost overruns which are so expensive? Will he allow a full review of the cost overruns in that committee, and will he attend and explain them?

Mr. Johnston: Madam Speaker, not only will I allow a full review, but I would be delighted to conduct such a full review either before the public accounts committee or in any other forum.

• (1500)

EXCESSIVE COST OVERRUNS—REASON THEREFOR

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is also addressed to the President of the Treasury Board. Yesterday, in appearing before the public accounts committee, the Comptroller General, Mr. Rogers, indicated that direct action against key management personnel would be contemplated to cope with the problem of cost overruns in government departments. But the Comptroller General also felt that overruns to date are not yet serious enough to warrant direct action such as firing, censure or demotion, against key personnel.

How does this square with the fact that substantial cost overruns are projected for programs currently in progress, overruns sometimes in excess of 100 per cent which are obviously the result of incompetence, mismanagement and bungling at senior levels of the bureaucracy? My question to the President of the Treasury Board is simply this: At what level of overrun, and under what circumstances, will such direct action be warranted? When will the managers be held accountable for these inexcusable overruns?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the hon. member probably knows, if he has been attending meetings of the public accounts committee, that we do have policies which cover major Crown corporation projects and which make specific individuals accountable. I do not think it is fair to say that all the cost overruns to which he refers arise from bungling, mismanagement or incompetence.

We know very well that a substantial number of cost overruns arise by virtue of the fact that the contracts were originally quoted upon in constant dollars. Also, there are sometimes foreign exchange fluctuations, as in the case of the Aurora contract and the long-range patrol aircraft contract. These matters, obviously, result in additional costs due to inflation and cost overruns, but I really do not think it is fair to blame the overruns on bungling or incompetence in terms of administering those particular contracts.

Mr. Siddon: Madam Speaker, in the breakdown tabled a week or two ago in this House, the President of the Treasury Board presented data which, I assumed, normalized out all those factors to which he has referred—the question of constant dollars, and the like.

I would like to follow up on a question raised by the hon. member for York-Peel with regard to the $200 million discrepancy, and ask why it is that certain projects in certain departments are not even reported in the sheets which are presented to members of this House.

In particular, why does the prepared list presented not include small craft harbours' projects in the amount of some $25 million each year within the Department of Fisheries and Oceans? Are these projects running in arrears; otherwise, why were they deleted? What is the government trying to hide, if anything? Is it bureaucratic interference, or political interference?

Mr. Johnston: Madam Speaker, as I recall, the list which I tabled—and I stand subject to correction—was prepared during the tenure in office of my predecessor, the hon. member for York-Peel. If something was deleted or hidden, I suggest that the hon. member direct his question to his colleague.

Mr. Stevens: You didn't give us all of it.

* * *

PRIVILEGE

MR. BOSLEY—NOTICE OF POSSIBLE QUESTION TO BE RAISED

Mr. John Bosley (Don Valley West): Madam Speaker, earlier this afternoon a motion under Standing Order 43 was put by the hon. member for York South-Weston (Mrs. Appolloni). As I understand it, the hon. member is the Parliamentary Secretary to the Minister of National Defence. There are some traditions in this House with regard to the rights and duties of parliamentary secretaries. I suggest that my question of privilege is a complicated matter, and I would like the right to pursue the matter through the blues and to check the record. I reserve my right to raise this matter at another appropriate time in this House, and I would appreciate your consent to that, Madam Speaker.

MR. BENJAMIN—LEASING OF EQUIPMENT TO FIGHT FIRES

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a question of privilege relating to a statement made in the motion moved by the hon. member for York South-Weston (Mrs. Appolloni) under Standing Order 43 this day, in which she said "nor are they charged for use and maintenance of equipment". I was in telephone conversation within the past hour with the department of northern Saskatchewan which assured me that the Department of National Defence is being very co-operative and that they were grateful for that.

The Department of National Defence is leasing equipment to the government of Saskatchewan to fight fires and are, by the way, charging lease fees which are less than the commercial rates. But they are, in fact, charging lease fees for the use of DND equipment in fighting fires on other than Indian reserves, in which case the Government of Canada pays 100 per cent of the cost.

I would like to suggest that the hon. member was in error in her motion. I am sure that either the hon. member or the minister would like to correct the record in that regard.

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I shall not take too much time to tell the hon. member for Regina West (Mr. Benjamin) that the matter he raised is not a question of privilege. The statement by the hon. member for Oshawa (Mr. Broadbent) was the subject of a motion under Standing Order 43. I think that what he said: "Ottawa's help needed" was certainly confusing. Madam Speaker, we must appreciate the effort that is being made by the Canadian armed forces in the four provinces that are stricken by forest fires, the equipment that is being loaned and the services that are given. It is customary to send a bill later for what is called incremental charges that are, I would say, only a very small part of the real costs to the armed forces.

So, Madam Speaker, I do not think there is a question of privilege. I can understand that the hon. member for Oshawa was misinformed, perhaps because of information he was given, but I can assure the House that what is called incremental charges are very small compared to the real costs and are less than half the amount suggested by the hon. member for Oshawa.

I think that the motion was simply to correct the newspaper reports and also the impression that may have been created that the armed forces are not doing all they can at the present time to help the people affected, as I said two days ago in the House. The forces are at the service of the population and I think that in urgent cases such as forest fires they are even more so.

Point of Order—Mr. Stevens

Madam Speaker: I hope the explanations given by the minister satisfy the hon. member. Should he not be satisfied, he can ask other questions at some other time in the House, but I think this is clearly not a question of privilege.

I can understand that the hon. member was not satisfied with the answer he received or else that he did not interpret it in the same way as the parliamentary secretary, but in any event this does not constitute a question of privilege.

* * *

[*English*]

POINT OF ORDER

MR. STEVENS—STATEMENT OF PRESIDENT OF TREASURY BOARD ON COST OVERRUNS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my point of order relates to the apparent exception which the President of the Treasury Board (Mr. Johnston) took to my statement that he misled the House with respect to the filing of certain documentation touching on overruns of approximately $1.062 billion on 497 projects.

The reason I feel it is fair to say that the House was misled can best be illustrated by reading from *Hansard* of May 15 at page 1103, where it is reported that the President of the Treasury Board stated:

—I am not in a position, nor would I take the time of the House, to furnish that list at this moment.

That is the list to which I just referred.

But I will provide such a list to the hon. member. I would like to point out that the $1.062 billion overrun figure which I cited was the total overrun for the 497 projects calculated back to the original budget.

Subsequently, during the Committee of the Whole proceedings, the President of the Treasury Board, as reported in *Hansard* at page 1129, rose to state:

—I have the report on the breakdown, as it were, of the projects on which the cost overruns that I referred to were incurred.

The President of the Treasury Board subsequently filed that report. Upon adding up the projects we found that they totalled only $820 million, not the $1.062 billion which the President of the Treasury Board had indicated. That, to me, is misleading the House. I would like the President of the Treasury Board to correct the error.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I do not have that information in front of me. My recollection is, though, and I thought that I had told the hon. member for York-Peel (Mr. Stevens) at the time, that in one instance we are looking at an overrun figure on specific projects. At the other end we are looking at a net overrun figure which takes into account savings which are incurred on other projects, which does happen.

● (1510)

In any event, I shall check the point and if there is any misunderstanding I will ensure that it is cleared up. My recollection is that that amount with respect to the projects is correct but that there were savings in respect of other projects which probably account for the difference.

Mr. Stevens: Madam Speaker—

Madam Speaker: I am sorry, I cannot hear the hon. member a second time on a point of order.

I must say that I have the distinct feeling that the two hon. members are engaged in a debate which started earlier on. Perhaps they could pursue it tomorrow at question period.

Is the hon. member for Regina West (Mr. Benjamin) rising on a new point of order?

Mr. Benjamin: Madam Speaker, it is a point of order relating to the question of privilege I raised.

Madam Speaker: I am sorry, I cannot hear that as I have already ruled on the question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to Acting Prime Minister and Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 6, 16, 68, 147, 205, 221, 305, 328, 375, 591 and 851.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

"ORGANIZATION AND METHODS OF THE RUSSIAN INTELLIGENCE SERVICE"

Question No. 6—**Mr. Cossitt:**

1. Prior to May 22, 1979, did any branch of the government distribute a pamphlet entitled "Organization and Methods of the Russian Intelligence Service" and, if so (a) how many copies were printed (b) what are the names of all persons who received it (c) who published it (d) on what date or dates was it distributed?

2. What are all reasons that the government, at the time of distribution, did not see fit to allow the Canadian people to have knowledge of the information contained in the document in the interest of (a) freedom of information (b) an informed public?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1 and 2. It is not in the interests of Canada as a sovereign state or as a member of several defence alliances to reveal publicly any detailed information which might undermine its intelligence capabilities or the trust it enjoys within the alliances.

SECURITY SERVICES

Question No. 16—**Mr. Cossitt:**

What is a full list of all security services, committees, groups, etc., operated by the government, directly or indirectly, during the past five years including the dates involved, the number of personnel and the purpose in each case?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): It is not considered to be in the public interest to provide detailed information about security arrangements. To disclose such information concerning the ongoing work and structure of government security mechanisms which have existed in various forms for many years, and through the tenure of office of numerous governments, would serve those who seek to undermine our national security and political system.

FINGERPRINTING

Question No. 68—**Mr. Cossitt:**

1. Between January 1, 1972 and May 22, 1979, how many public servants were fingerprinted or were under instructions to be, or were designated to be, fingerprinted by the government?

2. How many were processed, or are being processed, or will be processed by (a) the Public Service Commission (b) the RCMP (c) any other government agency or anyone acting on behalf of the government and what are the names of such entities?

3. What are the names of the departments employing public servants who were fingerprinted and what was the total number for each department?

4. What are the reasons that justified this procedure, other than for those engaged in national security matters?

5. How many Public Service Commission offices were engaged in any way whatsoever with the fingerprinting of public servants and, in each case, what is the (a) address and location (b) Christian and surname of those in charge?

6. Is the government continuing any form of fingerprinting of public servants and, if so, what are all the details?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Several attempts, all unsuccessful, have already been made to find the necessary basic figures to answer this question. No policy instruction has ever been issued to government departments to register and account for every individual fingerprinting.

2. Figures on the number of employees or applicants having been processed, being processed or to be processed are not available for the reason stated in 1. Fingerprints may be taken for security clearance purposes by any department or agency of government which has a suitably trained technician. These fingerprints are submitted to the RCMP by the security officer of the department-agency concerned for a check against RCMP criminal records. A criminal record can only be identified correctly on the basis of comparison of fingerprints.

3. All departments-agencies have a number of officers and support staffs who have been fingerprinted for security clearance. For the reason stated in 1, it is not possible to compile a total figure with an acceptable degree of accuracy.

4. The only government-wide policy which requires the taking of fingerprints of employees-applicants is in connection with the security clearance investigation process as defined in CD 35 and authorized for application by regulation 26 of the Public Service Employment Act. Government departments and agencies which used the umbrella of CD 35 to take fingerprints in an administrative reliability screening context were informed by PCO on July 19, 1978, that this practice was inconsistent with the intent of CD 35 and that the RCMP would discontinue checking fingerprint records unless such records indicated clearly that the subject was an applicant for a classified position. The only department which has a fingerprinting policy is the Department of National Defence. The primary purpose of this policy is to ensure the correct identification of casualties. These same fingerprints, however, may be used for security clearance purposes, as required.

5. There are six Public Service Commission of Canada offices engaged in fingerprinting of public servants and prospective public servants:

(1) Mr. Samuel E. Mombourquette
Director, Halifax Regional Office
4th Floor, Royal Bank Building
4161 George Street
Halifax, Nova Scotia

(2) Mr. Hugh Hiscox
Director, Manitoba and Saskatchewan Regional Office
Room 500, Credit Foncier Building
286 Smith Street
Winnipeg, Manitoba

(3) Mr. Douglas P. Learoyd
Director, Alberta and the North Regional Office
Room 300, Tower Mortgage
10355 Jasper Avenue
Edmonton, Alberta

(4) Mr. Claude Lacombe
Director, Quebec Regional Office
Suite 300, 685 Cathcart Street
Montreal, Quebec

(5) Mr. A. R. Slater
Director, Pacific Regional Office
Box 11120, Royal Centre
Room 313, Norwich House
1575 Georgia Street West
Vancouver, British Columbia

(6) Miss Patricia Kouri
Chief, General Services Section
Room 1581, West Tower
L'Esplanade Laurier
300 Laurier Avenue West
Ottawa, Ontario

6. Yes. See part 4.

VIA RAIL—DERAILING OF TRAINS

Question No. 147—**Mr. Turner:**

1. How many times during the past year have Via Rail Canada trains been derailed due to any reason except by a car-train crash?

2. How many times during the past year have Via Rail Canada trains been involved in a train-car/truck/bus accident?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Via Rail Canada Inc. advises as follows: 1. Twenty-eight.

2. Sixty-eight.

ST. LAWRENCE SEAWAY AUTHORITY

Question No. 205—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the St. Lawrence Seaway Authority?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

1.	(a) 1977/78	(b) 1978/79
Total Revenue	$ 30,223,916	$ 45,463,353
Net Loss after Parliamentary Appropriations	$ 2,647,157	$ 1,671,064

2.	1977/78	1978/79
(a) Parliamentary Appropriations		
Welland Canal	$ 18,001,914	$ —
Non-Toll Canal—Sault Ste. Marie	$ 1,313,188	$ 1,380,765
	$ 19,315,102	$ 1,380,765
(b) Long-Term Loan at end of year (Continuous from year to year)	$210,000,000	$210,000,000
(c) Investment by Government of Canada (Continuous from year to year)	$624,950,000	$624,950,000

MEDICARE PROGRAM

Question No. 221—**Mr. Herbert:**

For the years 1970-75, what amounts were in dispute in the settlement of the transfer payments to the provinces under the medicare program?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

For the years 1970-75 no province disputed the federal calculation of the cost of insured services—within the meaning of the Medical Care Act—furnished under its medical care plan. However, in the settlement of the amounts transferred under the medical care program, three provinces disputed the estimated populations used to calculate the federal contribution to them for some of the years mentioned. These matters were resolved along with parallel issues under the hospital insurance program.

CURRENCY IN CIRCULATION

Question No. 305—**Mr. Herbert:**

1. What is the estimate of the amount of (a) paper (b) coin currency presently in circulation?

2. How much currency is estimated to be held by the chartered banks and other financial institutions?

3. What has been the percentage change in the amount of currency in circulation in the past year?

Hon. Pierre Bussières (Minister of State, Finance): 1. As at February 29, 1980, currency circulation outside banks comprised $8,225 million of Bank of Canada notes and $952 million of coin.

2. Chartered banks' holdings of notes and coins totalled $1,173 million as of February 29, 1980. Currency holdings of other financial institutions is not available but is included in (1) above.

3. The year-over-year growth rate in currency outside banks as of February 29, 1980, was 8.5 per cent.

CANADAIR LIMITED—NUMBER OF EMPLOYEES

Question No. 328—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Canadair Limited and its subsidiaries as at March 31, 1979?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: At March 31, 1979, there were on the Canadair payroll:

(a) 4,826 permanent employees;

(b) One hundred and forty-two temporary and casual employees.

EDMONTON VETERANS HOME—NUMBER OF BEDS

Question No. 375—**Mr. Herbert:**

1. What is the present number of beds in the Edmonton Veterans Home?

2. How many beds are occupied by veterans who are accepted as the responsibility of the government?

3. What is the per diem cost per patient?

4. Are any beds occupied by patients who are considered the responsibility of the provincial government and, if so, how many are there and what is the per diem contribution of the provincial government towards the cost of care?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. One hundred and forty-six beds—all priority use for veterans.

2. Six.

3. $40 per diem.

4. Yes—137—except for a co-insurance charge by the department of $10.50 per day per patient, the provincial government pays the cost of hospitalization.

ST. LAWRENCE SEAWAY—OPENING DURING THE WINTER MONTHS

Question No. 591—**Mr. Cossitt:**

1. Have any government representatives participated directly or indirectly in meetings with United States officials concerning the alleged United States interest in keeping the St. Lawrence Seaway open in the winter months?

2. Is the St. Lawrence Seaway losing money financially and, if so, what was the deficit in each of the past five years for which figures are available?

3. In what way can the capital expense be undertaken that would be involved in winterization?

4. Is the government giving any consideration to such a project as suggested by certain United States interests?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport)): The St. Lawrence Seaway Authority advises as follows: 1. Yes.

2.	1978/79	1977/78	1976/77	1975/76	1974/75
Loss	$1,671,064	$2,647,157	$21,919,478	$29,572,318	$18,646,985

3. Since there has been no decision made to embark on such a project, no consideration has been given to different financing alternatives.

4. No.

DUFF-RINFRET SCHOLARSHIP PROGRAM

Question No. 851—**Mr. Baker (Nepean-Carleton):**

From 1975 to date, who have been awarded scholarships under the Duff-Rinfret Scholarship Program and which university did each recipient attend?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development):

Duff-Rinfret Scholarship Program

	Scholar	University
1975-76	Daniel Barbeau	Ottawa
	Vincent Del Buono	Toronto
	Henri-Louis Fortin	Laval
	Lorraine Godard	Montreal
	Bradford Morse	UBC
	Richard Paquette	Montreal
	Norman Ratti	Sherbrooke
	Larry Wilson	Saskatchewan
	Lorne Wolfson	York
1976-77	Daniel Bellemare	Ottawa
	Jacques Frémont	Laval
	Diane Labrèche	Montreal
	Paul Lindsay	Toronto
	Julie Morrow	McGill
	Michael Stober	Ottawa
	Susan Tacon	York

1977-78	Michelle Boivin-Rochon	Ottawa
	Rachel Grondin	Ottawa
	Donald MacPherson	Manitoba
	John Manwarning	Toronto
	Gary Martin	Ottawa
	Linda Vance	McGill
1978-79	James R. Aldridge	York
	Philip de Villars-Raworth	Alberta
	Pierre Dallaire	Ottawa
	Robert Drolet	Laval
	Mark Lawrence Kerbel	York
	André Lareau	Sherbrooke
	Robert Tétrault	Sherbrooke
1979-80	Gregory G. Blue	Victoria
	Suzanne Boivin	Ottawa
	Roger Alan Cotton	UNB
	Albert Hudec	Toronto
	Donald Kenneth Piragoff	Manitoba
	Nicholas Roy	Laval
	Richard A. Stainsby	York
1980-81	François Bernatchez	Sherbrooke
	Edward C. Foley	Dalhousie
	Yves Gagné	Sherbrooke
	Caroline J. Hunt	Western Ontario
	Stephen Kloepfer	Ottawa
	Alicia Soldevila	Laval
	Fabien Tremblay	Laval

[*Translation*]

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PRODUCTION OF PAPERS

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed from Tuesday, May 27, consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-

81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. John C. Crosbie (St. John's West): Madam Speaker, last night I started to speak on this bill and I have a few preliminary comments. I wanted to assure hon. gentlemen opposite that we have no intention of rushing this bill to authorize a $12 billion borrowing authority by the government through this House. We are going to be just as quick in rushing this bill through as the Minister of Finance (Mr. MacEachen) becomes quick in answering questions about the economic and financial shape of this country.

An hon. Member: He is not even here.

Mr. Crosbie: If we go by his example since April 14, he is in slow motion. He is stuck in the bog. He is stuck in the tar sands somewhere because he has not answered a question yet.

Why are we not going to rush this bill through? It is because in his speech last night the minister gave us no information. He said that on April 1, 1980 he had $2.9 billion in borrowing authority left, but he did not deign to tell this House how much of the $2.9 billion is left today.

The minister is forgetting that I have a little black book—the book that was prepared for me when I brought in the borrowing authority bill last October 23. It contained all the information current to that date. I know that the minister has a little black book but he is not sharing the content of it with us. He wants to keep it secret. We have some questions which I am going to put on the record in a few minutes.

The Minister of Finance claims to be the genius who arranged for the defeat of our government on the non-confidence motion on December 13 on the budget that we brought down.

Mr. Breau: Oh, oh!

Mr. Crosbie: The party that brought down our government on our budget which outlined the way we saw the economy needed to be handled for the next several years. Surely having done that, they accepted the responsibility to bring in their own budget outlining their own approach to the economic and financial problems of Canada as soon as they had the chance. They have been in power now 86 long days. It is like a sentence of 86 years. They have been in office since March 3 and not one new initiative in the economic or financial area have they taken.

The minister does not want to tell us about the budget or that he is going to bring down a budget. I will illustrate how he answers questions in just a moment.

The kind of thing that we and the people of Canada want to know was asked the other day in an article in *The Globe and Mail* written by Wayne Cheveldayoff, a very astute financial reporter. I have liked him very much since last January 1—in particular since then. I will quote from this article of May 26 as follows:

> The big policy question in Ottawa these days is what, if anything, the federal government will do about the recession.
>
> Ottawa could do three things:
>
> Leave things alone and let the Canadian economy dip downward with the U.S. economy—

One gets the impression from reading the financial statement of the Minister of Finance of April 21, I think it was, the bootlegged statement he made—his first speech in this House; his second was last night, a five-minute speech that as usual told us nothing—that that was the course he was going to take. He said in the course of those remarks that we could not do much in Canada, that we are in the hands of the United States and had to follow them no matter where they go. That is one course. He continued with his second course as follows:

> Try to prevent the recession from getting worse—
>
> As the Liberal government did in 1974-75.
>
> —by using the Keynesian techniques of tax cuts and government make-work projects—

That is another course the government could take except, of course, the government is already planning for a $14 billion deficit this year. The government has got itself in a straitjacket with the deficits it plans for this year and the deficits it has racked up for the last eight years. It is going to be difficult for them to do that. They used the Keynesian techniques during all the good years. Now that they have used them through the good years they do not have them available to use during the bad years.

We are already in a morass of deficits and this year's is the largest yet. So can they do that? Are they going to attempt that? Is it not about time the government told this country and the financial community, the workers, the employers, which one of these alternatives they are going to try to take?

The third point was as follows:

> Make the recession worse by following Britain's lead in tightening the money supply and cutting social programs to reduce the fiscal deficit.

That is another alternative. There are three alternatives. Later the author pointed out:

> In fact, Mr. Trudeau's public statements so far indicate that he will attempt to duplicate the 1974-75 experience.

I say he probably would. He has no understanding of economics. Some of his statements would make your hair curl if you were not so busy laughing. Here is one of his statements. Back on April 24 at a press conference the Prime Minister (Mr. Trudeau) said that the reason he wants to reduce the deficit is not to improve the health of the Canadian economy. He said it is healthy. The Prime Minister thinks the economy is healthy. Rather, he said, it is necessary to reduce the deficit because the interest charges on the deficit are so high due to high interest rates. The Prime Minister does not even see the connection between a higher deficit and more money that you have to pay in interest. That is the kind of rudimentary knowledge of economics that he demonstrates in this House.

In a February 14 campaign speech in Winnipeg the Prime Minister argued that the federal government should be doing the contrary to what the Conservatives planned in the Decem-

ber budget. When are they going to start doing the contrary, or to start doing anything in relation to economics and finances in this country?

The Minister of Finance said in response to a question that his policy and mine were the same. When is he going to clarify that statement? When is he going to give some leadership to this country as to where we are going? Is this the government that is going to do what the Prime Minister indicated during the campaign? I would say the odds are against it. He has not done a thing yet that he indicated during the campaign he would do.

Some hon. Members: Hear, hear!

Mr. Crosbie: These are some of the reasons why, before we approve a $12 billion and more borrowing by this government, we want to know what direction the government are going in and to what use they are going to put that money. Just what are they going to do? The Minister of Finance was reported as saying this on April 18. I have quoted this before in the House but it is so remarkable that I want to put it on the record again. In *The Toronto Star* for Friday, April 18—the Toronto black hole I call it—the Minister of Finance said:

● (1520)

—the lower rate was "welcome news", but it's worth pointing out that the high interest rates we have had and the very rapid increases in these rates recently have been a direct result of action taken in the United States.

This was the same minister who got up here yesterday, patted himself on the back and pretended that there was some virtue of his that has resulted in interest rates dropping precipitously in the last several weeks, when on April 18 he admitted that the high interest rates that we have had have been a direct result of action taken in the United States. And, of course, the lower interest rates now are the same direct result. They have nothing to do with this Minister of Finance who answered a question yesterday with smart alec answers. We do not want smart alec answers. The 4,000 or 5,000 people who are going to be unemployed in the iron ore mines of Labrador in July do not want smart alec answers from this minister. They do want answers, but this is a minister who will not even answer. As I said last night, he is the silent butler of the government. He is the soft-shoe dancer. He is the soft-shoe specialist extraordinaire pit-patting down through the halls of power without giving us any answers. That has got to change. We are not satisfied with his soft-shoe techniques any more, Mr. Speaker.

Here is an article written by Ronald Anderson in *The Globe and Mail* who points out the sharp drop in interest rates. He writes:

Interest rates are moving down only because of a pronounced falling off in the demand for loans, especially for business loans in the United States. This, in itself, is a clear sign that the recession has arrived, and confirms the evidence of such other indicators.

Mr. Anderson goes on to examine the situation in the United States. Then he gives opinions from various financial houses and says that the weight of evidence indicates unmistakably that the North American recession will be severe rather than merely average, and so on. This will have its direct effects in Canada.

What position is the Minister of Finance and the government going to take on that? Are they going to reverse themselves again and adopt the same policy as was laid out in our budget—that you have to start getting the deficits down and under control over the next four or five years? You have to give more room to the private sector. They have not encouraged the private sector to build and grow, expand and employ more people; but you do have to stop borrowing so gigantically in the financial markets and give the private sector room to grow so it can borrow, grow and create jobs.

Is he going to take that route even though he voted against it? That is quite possible because since the government has assumed power he has gone all kinds of routes that he voted against on December 13. Is he going to do that, or is he going to take the 1974-75 lessons, ignore them, and go the other way as the Prime Minister indicates? He cannot have it both ways. What is he going to do? He should not just come to this House and ask for $12 billion and refuse to tell us or give us any indication of what he is going to do.

Just to give you the flavour, Mr. Speaker—

Mr. Rae: That is exactly what you did in November.

Mr. Crosbie: I know that little voice from the NDP. He is so far away from power; he is right down the rat hole and he is not even going to be near power. We are dealing with the men here, not the boys. I do not want to be interrupted any more.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: This caterwauling indicates why they are never going anywhere. They are going down the gopher holes out west in the next election.

Here is an indication of how the Minister of Finance treats this House. In *Hansard* on April 18, at page 160, the Minister of Finance was asked by me a question about the budget and oil pricing. This is what he said:

I will certainly bring in a budget as soon as possible, but I do not see that possibility within the near future, or even beyond the near future.

This is as clear an answer as we ever get from that minister. He is going to bring in a budget as soon as possible, but he does not see the possibility within the near future, or even beyond the near future. We do not know if he even sees. I doubt that he sees. He certainly does not speak.

Then we move on to May 5 and we can see how informative he is on that day. The hon. member for Prince Albert (Mr. Hovdebo) asked about financial assistance on wheat prices. Wheat prices are lower because of a decision made on embargoing grain shipments to the Soviet Union. This is the fulsome answer of the Minister of Finance at page 703 of *Hansard:*

Madam Speaker, I am not in a position to announce any immediate steps today but I shall take the hon. member's representation under consideration.

He is an expert at taking member's representations under consideration, and that is the last we ever hear from him. Has the hon. member for Prince Albert heard from him since?

An hon. Member: Not a word.

Mr. Crosbie: Not likely. Would the member for Prince Albert nod his head if he has heard from him? The hon. member is not nodding his head, so he has not heard from him since. The no nod NDP.

Now I will turn to *Hansard* for May 6, 1980, at page 742. This is why we are not rushing through $12 billion for somebody who cannot even speak or will not speak. The Minister of Finance was asked a question by the hon. member for St. John's West, who does not often get a chance in this House to ask. At page 741 of *Hansard*, the Minister of Finance was asked this:

—will the minister advise the House what steps the government is taking to increase real domestic output, manufacturing output, and employment in Canada this year, particularly in view of the forecasts—

That is for Ontario. Ontario is having a bad time economically. I know, Mr. Speaker, that you are amazed to hear that, coming from Ottawa, but it is true.

The Deputy Prime Minister was then asked a supplementary question about the Canadian dollar. In answer to that question he said this at page 742:

My hon. friend knows that the Canadian dollar is reacting to market forces at the present time.

That the Canadian dollar is reacting was a real nugget. The final supplementary question reads as follows:

Is the Deputy Prime Minister and Minister of Finance satisfied with the present level of the value of the Canadian dollar, and is his policy to keep it at the present level of value or is he prepared to allow it to rise?

The answer to that question is as follows:

Madam Speaker, the Canadian dollar has fluctuated rather widely in the last two months.

Then I interjected with the following:

So have you.

Some hon. Members: Oh, oh!

Mr. Crosbie: Then the Minister of Finance goes on to say:

The governor of the Bank has permitted that fluctuation to take place, and I believe that is a comment in itself to the hon. member.

That is a great answer, that the governor of the Bank of Canada has enabled it to take place, and that that is a comment itself. The Minister of State for Finance is here today listening with rapt attention, and I congratulate him for that because he is not going to get a chance to listen to his minister who does not say very much. But when we ask a serious question about the economic and financial future of this country, these are the kinds of answers we get from the Minister of Finance.

Again, on May 21, 1980—I am only giving a rapid selection because I do not have much time to speak today—in *Hansard* at page 1256, another question was put to the Minister of Finance. This time the question was raised by the hon. member for Calgary Centre (Mr. Andre) about a $1 billion saving the minister is going to get from the blended price system. The Minister of Finance replied in this way:

I can only tell the hon. member that the blended price system can achieve results, but the greater the increase in international prices, the greater the difficulty.

That is a fulsome answer when he is asked to explain how he can save $1 billion. In answer to a supplementary question about commitments made in his April 21 economic statement, the Minister of Finance said this:

With respect to the question as to what is now the precise burden of the oil import compensation program, I would be pleased to get those updated figures and make them available to the House and to the hon. member.

Has the Minister of Finance got those updated figures and made them available to the House and the hon. member? He has not. He answered the question here in the House that day and then he softshoes out of the House, down the halls, going down to get those prices which he forgot about and which we have never seen since. We turn the page to page 1259 and the Minister of Finance is asked by the member for St. John's West the following:

It was announced in Newfoundland yesterday that Wabush mine, which operates an iron ore mine in Labrador, has suffered a 15 per cent loss of sales of its product to the United States this year because of depression or recession in the United States, and as a result for one month—the month of July—all of its workers are going to be laid off or have to go on their holidays. What steps is the Minister taking to try to overcome such effects of the recession in the United States as are now becoming evident in Canada? What steps is he taking to overcome these effects?

I consider that to be a serious question, not just a light question, not just a little question to get up on your feet and exercise yourself getting up and down. There is going to be 1,500 people out of work. Since then we have the news of another 4,000 in Labrador city. Here is the answer given by the Minister of Finance to that question:

With respect to the workers affected by the lay-off, as the hon. member knows, they will be able to take advantage of programs especially in place at the present time.

And so on. He went on to say:

In connection with the recession that may be taking place and is undoubtedly beginning in the United States—

A great admission by this minister.

—the hon. member raises a question that is very broad indeed.

That is very informative. It tells the House that I have raised a question that is very broad. The minister continues:

As he knows, there are only, in a sense, two ways that one can act in circumstances of this kind; that is, through increased spending or through reduced taxes in order to stimulate the Canadian economy. I have not yet reached the conclusion that that is an appropriate stance to take at the present time.

● (1530)

Do you get that, Mr. Speaker? Pure and utter bafflegab; pure and utter vacuity; pure and utter lack of information. This is a government that has been in place 86 days, that ejected us from power and that used every pragmatic means—I will call it that because I am going to be statesmanlike this afternoon—to get back in power themselves. They disagreed

with our budget. They thought it was shocking and frightening.

When the minister is asked 80 days after he got into government what he is going to do to meet the U.S. recession, he does not know. He tells us there are several options: we can increase spending or reduce taxes. We already knew that. Every simpleton in Canada knows you can increase taxes or reduce taxes or increase spending or reduce spending. We do not need a Minister of Finance to bafflegab and flap that past us in the House when we ask a question. He says he has not reached a conclusion which is appropriate at the present time. Well, we have not reached a conclusion as to whether $12 billion is appropriate for borrowing authority for this minister at the present time, not until he comes into this House and starts to tell the people of Canada and the members of this House what his economic and financial approach is going to be.

We want a budget and we want a firm date set for a budget. We know there is going to be an oil price war. We have seen the attitude of the Minister of Energy, Mines and Resources (Mr. Lalonde) outside this House and repeated here today. He is looking for nothing but war and confrontation with the oil producing provinces and many of the people of this country. He gets up and says he has just won a successful battle against separatism in Quebec and now he has to fight another battle. He implies it is another battle against separatism, only this time in Alberta and with the oil producing provinces.

He is the man who is supposed to go out and negotiate for this government a successful conclusion to this whole oil price and energy price difficulty that we have had for the last year. We can see now what he plans to do. He plans to have war and confrontation with Alberta, hoping that he can rally the rest of the country around him on the ground that we need a strong central government to deal with the separatist threat in the west.

This man will put this country in peril just to try to achieve the carrying out of cheap political promises made last fall and winter to this country, and he knows he cannot carry them out any other way. He knows he can only carry them out if he unilaterally imposes new taxes on the oil and gas industry and takes the money from the producing provinces and the industry. This is the stage he is sitting. His tactic is beneath belief. It is unconscionable.

Mr. Paproski: Dishonest.

Mr. Crosbie: Yes, it is a dishonest approach. How can anyone going out to really try and negotiate with a group of people a very contentious question like this and make statements so insulting, so calculated to make the blood boil? The Prime Minister of this country endorses this attitude. He should be ashamed of himself.

To come back a bit more to the topic, let me look at the debate of October 23, 1979, when I asked this House for borrowing authority of $7 billion for the rest of 1980, to expire on March 31, 1980. What did gentlemen opposite do? They spoke on that bill. I had to borrow the money to meet their obligations to carry out their budget. It was not mine. I was asking the House for $7 billion to carry out their programs, their financial system and their budget of the previous November, and what did they do? They talked for four days. We had nine Liberal speakers and seven NDP speakers. They will speak on anything, that crowd in the NDP. They will speak on anything, any time they get a chance, God bless them. They are great speakers. There were two PC speakers. We had four days of debate, the 23rd, 25th, 26th and 29th, on second reading.

There was a long interruption caused by the hon. member for somewhere or other down in New Brunswick. The hon. member for Gloucester (Mr. Breau) moved the adjournment of the House. A couple of hours were lost because nobody was here; nobody anticipated this resolute action by that fighter for civil liberties, the honourable Breau. That is the kind of thing that went on when we asked this House for $7 billion last fall.

We heard also from the present Minister of Industry, Trade and Commerce (Mr. Gray). We do not see him around too much these days. I guess he has gone up the spout somewhere with Chrysler. He seems to have them and only them on his mind. The then finance critic is up the tailpipe.

The then finance critic said we only needed $3.5 billion. We did not need $7 billion; we only needed $3.5 billion. Therefore we have ample precedent just a few months ago as to what to do with this bill. We have serious purpose behind this objection we are taking to this bill because we are going to carry out the advice that they gave us last October 23. Let me just briefly refer to some of it. I am referring to *Hansard*, for those of you who have not looked recently. The hon. member for Windsor West complained about interest rates and so on. He has forgotten it all now. He is thrilled with the interest rates since. He said that we bore the responsibility for the damage the interest rate increases were doing to small business, the farmer and the consumer. When this government got in, interest rates went up 2.2 per cent. That is how much he cared. He said this at page 509:

> But there is another serious flaw in the way the Conservatives are proceeding with this first financial measure they have called for debate in this new Parliament. They are seeking this $7 billion in borrowing authority in Bill C-10 without first presenting their own budget to Parliament.

He was seriously upset. The "honourable Herbie" was seriously upset that we had not presented a budget and we deigned to ask for $7 billion in borrowing authority to carry out their spending plans. There is our serious flaw. I give this advice to the Minister of Finance. He has got a serious flaw in asking us for $12 billion because he is seeking it without first presenting a budget to Parliament. What's sauce for the goose is sauce for the gander.

We want to see a budget before the end of June. We will then give the government the $12 billion if we think it is a worth-while budget. If we do not think it is a worth-while budget, they will have to claw us, fight for it, impose closure and rack it up and down the House and out in the corridors to get it. But don't be afraid to bring in a budget. All that can happen is they might be defeated.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let me give them another piece of advice that we got in that debate from the present Minister of Justice (Mr. Chretien). He said this. He understood my problem. He urged me to talk to the then prime minister and make sure that the oil and gas pricing problem was resolved very quickly. Good advice, Mr. Minister. I am glad to see that *M. le Ministre* of Energy, Mines and Resources is buckling right down to settling this question very quickly. We saw that last night. He will need tanks to settle the question. He will need artillery to settle it if he is going to proceed as he did last night. That is the only way he is going to settle it. There is no agreement between two consenting parties. There is not going to be any agreement between two consenting adults in private or in public if he continues as he was acting last night and this afternoon.

What else was the good advice from the former minister of finance? He said this. He was all caught up about a budget and he said this at page 516:

—so that the people could make plans for the year to come on the basis of a budget that would be known to everybody.

He asked this question:

How can they prepare against inflation next year without knowing the government's budgetary intentions?

I ask the same question of the Minister of Finance and the Prime Minister, who I know is not listening and will not pay any attention anyway. How can the people of Canada prepare against inflation? How can they prepare against anything when they do not know what this government's budgetary intentions are? They have been frightened to death and frightened out of their wits by the $14 billion deficit already indicated by the Minister of Finance, but they have had no indication yet as to how the government is going to tackle our economic problems.

At page 517 the former minister of finance was talking about the difference in their approach compared to ours, and he said this:

We do not think it is necessary to let the Canadian economy go into a recession as the Americans have. We managed to prove that point in 1974 and 1975, and I hope that the Minister of Finance will keep that in mind.

That is the belief of the former minister of finance. We do not know the belief of the present Minister of Finance. When is he going to let Canada know? When are the manufacturers going to know what the prospects are with this government? These are some of the questions we have.

● (1540)

Here is Mr. Carl Beigie outlining an economic plan. Canada needs a co-ordinated strategy to reduce consumer spending and raise investments as much as it needs national unity, according to Mr. Beigie, who is the president of the C. D. Howe Research Institute. This is what we read in a clipping from *The Globe and Mail* of May 22, 1980. He was speaking to a group of economists in Montreal. He proposed action on five key points—more cuts in government spending, a willingness to allow prices to rise faster so as to discourage consumer spending and encourage investment, more taxes on consumer spending, a set of measures to reward productive investment and measures to punish the use of capital for dividend increases, mergers and acquisitions. The final recommendation is maintenance of the dollar at a level favouring sectors other than non-renewable resources.

Those are the suggestions of one economist as to what should be done at the moment. There are dozens more. People engaged in the industries of this country along with the farmers and fishermen need to know in which direction the government is going. But all we hear from the Minister of Finance is that he cannot make a move until there is an oil pricing agreement. He can make assumptions. There will be no oil pricing agreement. I make that forecast now, Mr. Speaker. Certainly there will be no agreement by July unless the government has a plot, as I now suspect it has, to start a war with the province of Alberta and the other provinces which possess resources, and then impose a unilateral solution. But there is going to be no agreement.

Here are some of the questions to which we need answers from the minister. This is some of the information we should be getting. There are two ways for the government to secure borrowing authority. One is from Parliament, and the government is now asking for authority under this bill. That is new money. But the government has continuing authority to borrow funds to repay maturing debt. What we want to know is: How much authority do they now have in view of the fact that they have been repaying maturing debt over recent months? We know they had to redeem more than $1 billion in Canada savings bonds. That gives them authority to borrow another billion without coming to the House at all. So let the minister tell us what he has under that heading.

We know that all their authority under the bill passed last fall expired on April 1. But the usage of borrowing powers is calculated on a net basis, so that as the government reduces the level of outstanding debt it increases its borrowing power. On November 1, 1979, there was $2.9 billion of unused borrowing authority still outstanding, available to be carried forward. The minister has stated that this was still the case on April 1. So let us have the facts on that. Imagine coming to this House for authority to raise $12 billion and the minister doesn't even tell us how he plans to get it—how much by way of Canada Savings Bonds, how much by way of marketable bonds, how much by way of treasury bills. How does he plan to borrow this $12 billion? What is his borrowing plan? He makes a five-minute speech during which he tells the House nothing. He doesn't tell us how much will come from government pension funds, how much is expected to come from the public market—

An hon. Member: Or at what rate.

Mr. Crosbie: —or what rate he expects to pay. We want some information on that. What does the government intend to do about Canada Savings Bonds? A huge proportion of our debt is represented by Canada Savings Bonds. The people who

hold those bonds could come in tomorrow and ask for payment. What would the government do about that? The government says it will reduce its reliance on Canada Savings Bonds and if members over there are not going to do it, they are making a bad mistake.

Just look at the proportion here. It is something like 18 per cent to 20 per cent of our indebtedness, if not more. In the first several months of this year, $1.1 billion were redeemed, an amount equal to the whole of last year. In a moment, looking through these notes, I will come across the proportion of government debt which is in Canada Savings Bonds. It is a very high percentage. The government must get out of that. The people are getting worried about their interest rates, worried about inflation and we may yet see the whole kit and caboodle, widows and all, coming in next week with $18 billion worth of Canada Savings Bonds to be cashed.

What is the government going to do if that occurs? It might not be $18 billion, it might be only half that amount, $9 billion. It might be a quarter, $3 billion or $4 billion. We cannot continue with so high a proportion of our debt in Canada Savings Bonds. Does the Minister of Finance intend to explain what he is going to do to avoid trouble and difficulty in that direction? Is that not his responsibility when he comes to the House for authority to borrow $12 billion? Does he think the members on his own side are dum-dums, dodos or greenbacks who would not be interested in this information? Does he think they are uncaring? I see a number of members over there who are caring. Others are passed caring—the ones who have been there any length of time. But the rest of them are still caring. Shouldn't they have this information? Shouldn't the members of the cabinet have it?

This is the kind of information we want. We want to know how much of our indebtedness is in treasury bills, how much in one year bills, how much in Canada Savings Bonds, how much in bonds altogether. What is our present debt as of today, or as of May 15 or some reasonable date? How is it held? How much is on short term, how much is on long term and the rest?

According to my little black book, back in October when this estimate was done, interest charges for 1980-81 were expected to be $10.5 billion. That has since gone up to $10,750 million. The gross public debt charges as a percentage of total government outlays were 18.2 per cent. The figure is higher, now.

I remember when I was minister of finance in Newfoundland. The minister of finance of the mighty Liberal government, which was almost solvent in those days, back in 1972, was advising me that Newfoundland was headed for bankruptcy if we continued to borrow in the way we were borrowing. That is when the borrowing started here. It went up from $1.253 billion in 1972 to total $46.5 billion over the next seven years. It quadrupled from the time the Prime Minister took office in 1968. Now, 18.2 per cent of all government outlay is going to pay public debt charges and the minister comes to this House with the thought that we are going to give him $12 billion borrowing authority. And he gives us no information. What is the interest cost to Canada going to be, Mr. "Assistant Minister of Finance"? What is the latest estimate for 1980-81 of what the interest on gross public debt is going to be? What percentage will that be of total government outlays and what percentage will it be of the gross national product? The Prime Minister of Canada might not care about the deficit, but I can assure you, Mr. Speaker, that it is very, very important. The people of Canada, or their children, will rue the day that this kind of thing went on. It is our duty to ask questions and look to the future. So we want some information about these matters.

It was originally thought that in 1980 the interest cost, the cost of the public debt program, would be $8,350 million. That is what was in the Main Estimates prepared by the same government which sits opposite now. That was an 18.3 per cent increase over the previous year's level, 1978-79. Well, then the estimate went up from $8,350 million to $8,450 million, an increase of 19.7 per cent over the previous year. That happened during the year and the estimate had to be revised. The latest note I have here is that last October we expected the interest costs for last year to go to $8,600 million, or 21.8 per cent above the previous year. What was the figure? What did it finally turn out to be? The last estimate I had was that it was going to cost us 21.8 per cent more for interest in 1979-80 than it had cost us in 1978-79.

We want that information, Mr. Speaker, before we pass this bill. The minister will just have to be more forthcoming. The people of Canada want to know what is happening with these tremendous increases in interest costs.

● (1550)

There is a note here also that the balance outstanding in employee pension accounts continues to increase, accounting for a major source of government financing. A lot of the government's financing now is coming from compulsory acquisitions of funds from government pension accounts, moneys paid in by public servants and other people paid from the public treasury. They are compulsorily having to lend that money from their pension funds to the Government of Canada to reduce the amount the government has to go to the markets for. How much is that going to be for the present year? What is the latest forecast on that? What are they going to be able to take from non-government sources, from government pension funds and the like? We would like to know. We would like to know how much of the Canadian debt now is payable in Canadian dollars and how much of it is payable in foreign currency. That would be of interest. The last figures I have here are that at October 31, 1979, we had a total government debt of $68.067 billion. Of that, $63.144 billion was in Canadian dollar debt, and the remainder was in foreign currency debt, the Deutschmark, the Japanese yen, the Swiss franc.

There is nowhere that this government will not borrow. They will go anywhere in this world to borrow. Their next loan will probably be in the old Zambian Kwacha or whatever. We would like to know what these figures are now for the latest period we have them for before we go authorizing another $12 billion. How much of their domestic debt program last year is

held by the Bank of Canada? How much are they planning to have the Bank of Canada hold for this year? Last year, at least up until October 31, the Bank of Canada had financed Government of Canada cash requirements to the extent of $1.2 billion. What did this turn out to be for the whole year? What are their plans for using Bank of Canada financing this year? That has an important effect on inflation, the money supply and the like.

These are some of the questions we expect to have answered, and they are not unreasonable, surely, when this House is asked to approve $12 billion in borrowing authority. What are the interest costs on the foreign debt? The gross annual interest cost on foreign loans for March, 1978, outstanding as of October 31, amounted to U.S. $326 million. What is it now? What are the net interest costs? What are they earning on those proceeds? These are some of the questions the Minister of Finance or his Minister of State for Finance (Mr. Bussières) might find that if they answered we would be co-operative in trying to get this bill through the House before we adjourn in July, August or September.

What is the government's fiscal plan? What is the government going to do? How much is the oil import compensation plan now going to cost? What is the latest figure on that? It was $3.1 billion, but now we have had increases in the price charged by foreign countries in connection with our oil imports, so what is it going to be now? These are some of the things we want information on.

I do not believe I have forgotten any questions. I know some of our speakers will have further questions, and that is all to the good.

Now, what are some of the things that the people of Canada are concerned about and want to get information about? They want to know what the government is going to do, and this government will not tell them.

According to a report I have here, in two decades of surveying consumer attitudes the Conference Board in Canada has never found Canadians to be as pessimistic as they are now. That is what the board said on May 22. They have been doing these surveys. They did a quarterly survey of consumer confidence, and they find that Canadians are showing increasing concern about their families' financial prospects, about employment possibilities, about making major purchases at this time.

Well, if consumers are the gloomiest they have been in two decades, surely it is up to the government to try to reinstil some confidence in the consumer by telling the consumer what the government's plans are and how they foresee the year. If the government cannot do anything and if the government's hands are tied because of its present huge deficit and its present huge deficit in the balance of international payments, the government cannot go into expansionary spending or increase the deficit beyond the $14 billion. I myself cannot see how they could do that. It would be very dangerous and damaging. If they cannot do it, they should tell the people of Canada that they cannot, and about what we have to prepare for and how they see us coming out of it.

According to the board, for the first quarter of 1980 the index was 82.7, one of the lowest levels measured since the surveys began in 1960. Well, is to ask this House for borrowing authority of $12 billion without any information or indication of the government's financial and economic plans going to induce confidence in the consumer? You bet it is not, Mr. Speaker.

Here is another clipping. One does not have to be a genius to read the papers and see the result of these surveys. Canada has the worst productivity in the seven major free world nations. We had a decline of productivity last year from 1978 levels. The U.S. had the lowest gain, but they had a gain. But Canada had a loss. Canada had a decline in productivity, 0.8 per cent. Italy had an increase of 8.7 per cent; Japan, 8.3 per cent; France, 5.4 per cent; Germany, 5.2 per cent; Great Britain, so often sneered at and looked down on, had increased productivity of 2.2 per cent. Canada had a "decline" of 0.8 per cent. What is the government's plan to help deal with that situation? The government has been in office for 16 years with a brief interruption of eight or nine months. They are back in office again. What is their plan to deal with that?

When the Minister of Industry, Trade and Commerce was finance critic for the then opposition, he was full of plans as to how he was going to overcome all these things.

According to another report, the decline in our buying power is the worst since the depression. This comes from Statistics Canada. Canadians' purchasing power has declined steadily in the last three years. It is the worst drop since the depression of the early 1930s, according to Statistics Canada. How long does the Minister of Finance think this decline in our buying power is going to go on? Does he see this stopping this year or next year? Is there anything he can do about it?

The whole history of collective bargaining in this country will be affected by the expectation of the labour unions as to whether their buying power is going to continue to decline or not. Can the minister not bring in a budget and give them some indication of where he expects this situation to go? What is the long-term outlook if we are restraining ourselves now and our buying power is declining now? Are we going to be better off in the future? If we tighten our belt now, are we going to be better off a year, two years or three years down the road?

These are questions the people of Canada want answered. They do not want the minister to be mute on these questions. They do not want him to be sliding and skating all through the question period refusing to answer any questions, just talking. He is a very skilled parliamentarian. We all know that this Minister of Finance can avoid answering questions. We know that if he is not the most skilful, he is one of the most skilful parliamentarians in this chamber. That does not mean that he is to be admired for refusing to answer questions when he is the Minister of Finance.

The President of the CMA, Mr. Newall, spoke recently. He said, and I am quoting from a report in *The Globe and Mail* of May 27:

—if government will provide the right climate, manufacturing industry can invest between $150 billion and $200 billion in larger and more productive plants this decade.

The pertinent words here are "if government will provide the right climate". Most people do not expect that this government will provide the right climate. The budget of December 11 did provide the right climate, a climate for people to invest with confidence that they were going to get a return on their money, that they were going to be able to employ more people and that we were freeing up the private sector to some degree so that they could get on with the job of doing what they know best—removing the dead hand of the government.

That is not the attitude this government has been known for in the past, and it does not sound as if it is going to be in the future, so is the government going to provide the right climate? What climate are they going to provide for our manufacturing industry? We can only know that when we have a budget. That is the only time we are going to know that. We are not going to know by giving the government the right to borrow another $12 billion.

Here is the C.D. Howe Research Institute again making a report. This is May 2 in *The Globe and Mail* again.

Canada will not begin to solve its inflation problem until the federal government's deficit is reduced, according to Carl Beigie—

Mr. Beigie, again, is the president of the C.D. Howe Research Institute.

In Canada surplus demand originates primarily in the government sector through budgetary deficits.

And so on. I will not read it all into the record, but it is true. It is correct. Mr. Beigie and I believe that the federal deficit is the key to inflation. Is this government going to do anything about inflation? Are we going to feel safe to save money or not? Is it going to become too dangerous for people in this country to save money because the government does not care about inflation or it will not fight inflation or will not take the painful steps that are necessary to fight inflation? This government has now got a safe majority for the next four or five years. It does not take any courage to fight inflation when you have a safe majority.

● (1600)

We made the decision that we were going to fight it when we did not have a majority. I suppose that in political terms that was a mistake, but the government now has a majority. When is it going to indicate to the people of this country, to the people who have some money to save, to the people whose money is needed to be invested in this country, whether or not it is safe for them to save it, or should they all shoot outdoors today and spend it before it loses even more of its value? That is the main question.

The bill which we passed in the House yesterday giving $35 per household to help those who receive a guaranteed income supplement to the old age pension is a picayune measure. That $35 might help them temporarily, but what helps the old age pensioner, the older person and those on fixed incomes is not that kind of small token, a handout from the government, or whatever it is, an attempt to give them security. The only security they will have is if we overcome inflation so that their cost of living will not go up by 10 per cent, 12 per cent or 15 per cent every year. We must ensure that this country does not go bust, that we do not wreck the economy. The only security anyone has in this country is if we operate the economy properly and we produce more so there is more to divide among us all and we give more to the senior citizens and the rest.

A party that is not interested in the fight against inflation, that will not battle inflation, is not interested in the older people, the senior citizens, is not interested in the dispossessed, is not interested in those who do not have strong organizations to protect them. The people of Canada want to know: is this government going to fight inflation? Because we have no indication whether or not they are. The minister's statement of April 21 indicates they are not. He is satisfied with a deficit of $14 billion.

The United States, whose interest rates and everything else the minister is following, are going the other way; they will have a small surplus next year in their budget. If they adopted the same policies we have and followed us—our deficit is $14 billion—they would have a deficit ten times that size amounting to $140 billion, yet they are going to balance their budget next year to try to fight inflation.

What is this government going to do? It is not telling us. All we have had is this pitiful excuse, this document which was presented to us on April 21 which we were not allowed to debate.

As I mentioned a few moments ago, we have a Prime Minister who thinks we have a healthy economy. Well, we should have the world's healthiest economy. We have the possibilities for a healthy economy, but we have an economy which has been badly mismanaged for the last ten years at least. For nine months we made a beginning in trying to get it back again to a healthy state. Now we do not know whether this government will follow that direction or go on to complete the dismantling of our economy which they proceeded to do from 1972 to 1979.

I believe that the Prime Minister is the Count Dracula of the Canadian economic system. The Prime Minister has to start giving it a transfusion, giving it more power, not just taking the blood out of it. His government has been like Dracula, like a vampire bat feeding on the economic system of Canada for the last seven or eight years. Are they going to stop that and start giving the economy a transfusion, or will they continue taking all the life blood out of it? That is the question which the Minister of Finance will not even answer.

An hon. Member: He is not even here.

Mr. Crosbie: The Minister has had to go somewhere outside the country, I believe. But the Minister of State for Finance is here and I think that he is the man concerned with these questions and he might put them to the Minister of Finance.

The Prime Minister remarked on our healthy economy. At the same time, on April 21, here is how the Minister of Finance spoke about the health of our economy. He said inflation appears worse now than in the previous peak inflation years of 1974 and 1975. That is one point he made. He said also that the underlying rates of inflation in the United States and Canada are not very different. He said the consumer price index will rise by 10 per cent this year. He said there will be little or no growth in Canada in 1980. He said that residential construction is likely to decline. He said that Canada cannot insulate itself from the slowdown in the United States because of the substantial deficit which already exists on the current account of our balance of payments and because of the size of the already existing deficit of the federal government. That statement is the exact opposite of the statement made by the present Minister of Justice on October 23 when he was in opposition, and which I quoted earlier.

The Minister of Finance said that the unemployment rate would rise this year to an average of 8 per cent. Does the Prime Minister think that is healthy? Does he think that all these things are healthy?

As I just mentioned, the Conference Board has found Canadians never to have been so pessimistic before. The productivity situation is not good, our purchasing power has declined. But the Prime Minister says our economy is healthy. He does not worry about deficits, except that they cost more in interest. He is worried because interest costs are higher. All this is not calculated to reassure the people of this country that their serious economic problems will receive much attention, if any.

As you know, Mr. Speaker, as the first speaker I have unlimited time. As the opposition spokesman on the government bill I was hoping to address myself to this bill for three or four days to review in depth what the government needs to do and what the problems are. But I have to take a plane to Toronto this afternoon to fulfil a commitment to speak there tonight, and therefore I cannot take the time I want on this bill. But eventually this bill will go to committee.

I suggest to the Minister of State for Finance that when he speaks—and I am sure he will be speaking—he give us some of the basic information we want. If we can get some sense from the government on what their economic and financial plans are, we are willing to give the government borrowing authority. It might be $12 billion or less than that, depending on what the government shows it needs. It depends on the government telling us what its plans are and telling the Canadian people. If the government can show at any time that there is some emergency, that they cannot meet a cheque, that they cannot meet the social security payments, or something like that, because they cannot borrow the money, they do not have that authority, if they can show that then we will be agreeable to rush through $1 billion or $2 billion of borrowing authority, some reasonable amount. But the government is not so down in the mouth, so financially strapped, that it cannot carry on its operations because we will not give it borrowing authority. We will give it some borrowing authority, but the official opposition will not agree to give $12 billion borrowing authority blind. We are not like the three blind mice. We want to see some evidence of the government's serious intentions and actions.

We want to have information. We will not be shoved around here by the government. Perhaps the electorate does not worry at present. They do not appear to be following public affairs with any great attention. This might be the case now, but they will not always be like this. I have been here only since 1976 and I thought I had seen some arrogance exhibited by the government up to May of 1979, but what I have seen in this House since April 14 shows that in the few brief months that they were out of office no new attitudes at all have been adopted.

The government thinks it has a majority and does not need to worry about anything. It thinks that the memory of the public is so short that the public will not remember in three months' time what the government is doing or not doing today. It made solemn commitments to mortgage holders, to the renters of Canada, to home owners. It told them that we were not doing enough. They were in this chamber and they opposed our mortgage tax credit legislation. They fought it bitterly in this chamber. The Minister of Employment and Immigration (Mr. Axworthy) when he was in the opposition wept crocodile tears and said that we were not helping renters, we were not helping the lower income people.

During the campaign, they went on with the same line. They stopped our attempt to help the home owner, the poor person burdened with mortgage costs, and they pretended that the high interest costs were our fault. When they came into office they allowed those costs to go even higher to 16.2 per cent for the bank rate and 17 per cent or 18 per cent on mortgages. Now, luckily for them and for everyone, the rates are coming down because of the recession, for no other reason. They promised the people of Canada they would help the home owner, the renter and the mortgage holder. They have not done a thing in their 86 days in power.

● (1610)

This House has been sitting since April 14 and the government has done nothing but give excuses for not helping the renters of Canada, not helping the mortgage holders of Canada. Ministers are still saying they are going to help 4,000, 5,000 or 6,000 people who got involved in AHOP and have been put in a terrible position over that program. They now have to renew their mortgages after five years at double and triple what the costs were originally and they cannot afford it. The government says it may still help them, but those are the only people it is going to help in Canada. These are the people who made the welkin ring in this House last fall about how their hearts bled for the Canadian home owner and the Canadian renter, yet they have done nothing since they got into power. They have offered no legislation to this House and they do not explain now why they opposed what we did offer. They could have supported that and improved it, if they thought there should be improvements, when they got into

power. They think the people of Canada have very short memories. Perhaps they are right, but they are taking an awful chance. If the people of Canada have got short memories, we are going to be here to remind them about some of the things the government promised and committed but which it is now not doing.

They are trying to fool the people on oil pricing. They have blended prices; they have "blanded" prices. They have the best kinds of prices. They have a new electric blender over in the Prime Minister's office and he is getting all the stuff and he is blending it all up, and they are going to try to convince the Canadian people that prices will not have gone up more than they were going up under our policy—$4 a barrel this year and $4.50 next year. We will be revealing how that is not so as they try to unfold that program.

The Minister of Energy, Mines and Resources, if he was Pinocchio, would have a nose that would reach from here to Vancouver with the stories he has told on energy pricing since he became the minister on March 3. If the Canadian people are not listening too intently now we intend to see that the record is clear so that when they do take an interest they will see what we were trying to accomplish and how, and what this government promised and what it has done, which are two distinctly different things.

By the way, I have a final note here. This is a final piece of arrogance and I have not received an apology for this yet. Here is a document sent out by 74 of the Liberal MPs from Quebec to householders in Quebec just before the referendum vote. This one here is from the MP for Verchères (Mr. Loiselle). It shows a separated Quebec gone from Canada, and gone with Quebec is 110,000 square miles of Newfoundland and Labrador. Not only that, Newfoundland is pushed out 200 miles into the Atlantic Ocean. It is no wonder Premier Peckford said you should only be the agents for the provinces. In this brochure you have pushed the island out 200 miles into the Atlantic and you took Labrador away from it, showing it going off with a separated Quebec.

Every one of the 74 members from Quebec, as far as I know, sent that brochure out. We have not heard a word yet to say it was a mistake, that they did not mean to include the 110,000 square miles of Newfoundland with Quebec. Perhaps they did not want to show the true boundary because there was a sensitive election going on. Maybe that was the reason. We call that arrogance down in Newfoundland.

My God, there is so much to talk about, Mr. Speaker, why do I have to leave? We have a Minister of Energy, Mines and Resources who said in a brave speech in Toronto when he was again threatening Alberta on May 6, and this appears at page 3 of his speech:

> There will be free flow of goods and services in this country. No province has the right to dictate development outside its borders, and the federal government will fully defend this basic constitutional principle.

That is what he said in Toronto. When he is asked in this House whether he will apply that principle to Newfoundland and Labrador so there can be a free flow of hydroelectricity from Labrador to other provinces in Canada across Quebec, which is now stopped by Quebec which will not permit it unless the power is sold to it at the price it sets so it can resell it at a far greater price and make fast profits, while we hewers of wood and drawers of water in Newfoundland make nothing, they do not assure us that they will apply that principle in the province of Quebec.

This is the Minister of Energy, Mines and Resources who has so flexed his muscles now with Alberta he is "super Marc"; he is going to crush Alberta; he is going to crush Lougheed. He says the principle is:

> No province has the right to dictate development outside its borders, and the federal government will fully defend this basic constitutional principle.

When Newfoundland and Labrador asked him to defend that principle against Quebec, Newfoundland with seven seats and the province of Quebec with 75, that is the last we hear of it. They turn and they twist every way you can think of in the House here to avoid answering that question. That question will be coming up when the Lower Churchill studies are finished in the next couple of weeks. That question will then be right in the lap of the federal government, because those developments cannot go ahead; the Lower Churchill cannot be developed with a potential 2,500 megawatts of power badly needed in the maritimes to displace oil. That cannot go ahead unless Newfoundland can transmit that power across Quebec to these other provinces. That problem will be right in their laps, and that great principle will have to be followed or revealed to be a completely hollow principle.

In closing, Mr. Speaker, let me just say that the requests we are making are reasonable. When you look at the way the debt and the borrowing have increased in Canada, it just makes your head spin, particularly the way it has happened in the last ten years. We now have a situation where the House is being asked to authorize $12 billion in borrowing authority. There was one period of two years when the amount was $28 billion. This is given in my briefing book which says "net debt borrowed", and there was borrowed $28 billion in 1977-78 and 1978-79. Now the government is asking for $12 billion. These are huge amounts of money.

The man who asks the House for this authority spoke last night for five minutes, filling just one page of *Hansard*. The Deputy Prime Minister and Minister of Finance can treat this bill so lightly that all he thinks he has to do is ask the House to give him the right to borrow $12 billion without a word of explanation as to why he wants it, how he is going to raise it, what his present authorities are and the like. This just boggles the imagination. He treats the matter very lightly, just as the minister has treated us in respect of the questions we asked in the House. It is not a question of whether we like the Minister of Finance or whether we do not like him. I personally like him. I have a high regard for his ability to do the old soft-shoe dance. I call him "old slippery heels". But he is going to get caught. He cannot be Minister of Finance and avoid answering all the questions. He cannot be Minister of Finance and avoid telling the people of Canada what his approach is going to be to the economy and the financial system of Canada for the next two or three years. He cannot do that without ruinous effects to our economy.

It may be that the Minister of State for Finance will repair all the damage of the Minister of Finance when he speaks. I think he is the back-up man for the Minister of Finance. I think the Prime Minister knows that the Minister of Finance is not too forthcoming so he has got the Minister of State for Finance to back the minister up and do the things he is not going to do. We hope that is the case. In the meantime we are prepared to explore these issues and discuss every aspect of government operation in the coming weeks until the government does become more forthcoming and, particularly, until we find out when there is going to be a budget, or, in the alternative, what this government's approach is to our economic and financial problems about which they were so anxious to defeat us. Perhaps they defeated us just because they were anxious to get into power again. I think that is the true reason; I think that is the only reason. If that is not the reason they should be eager to come into this House and show us how they are going to go right when we were going so wrong. That is what we want the minister to do before we give him this authority to borrow another $12 billion.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are being asked through the provisions of this bill to permit the Government of Canada to borrow $12 billion for the fiscal year 1980-81. As I listened to the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) outline the reasons he was bringing forth this bill in his very brief speech yesterday, I did not know whether to laugh or to cry. I remember that this is the finance minister who engineered the defeat of the Conservative government last December. This is the finance minister who persuaded the Liberal members of Parliament last December to vote for the NDP motion which led to the defeat of the Conservative government. This is the finance minister who, according to the most knowledgeable media people, persuaded or forced all Liberal MPs to be here in this House to vote on that fateful day last December. This is the finance minister who, we are told, persuaded the present Prime Minister (Mr. Trudeau) to stay on in politics. This is the finance minister who, having moved from the opposition benches to take his portfolio, seems to have forgotten all the pledges made by his leader and his party before the last election and during the last election campaign.

● (1620)

This is the finance minister who has implemented all of the measures proposed by the former Conservative finance minister last December, except for the 18-cent a gallon excise tax. This is the finance minister who obviously believes that the government should not interfere actively in directing the economy, either to get it moving at a faster rate or to slow it down. This is the most silent finance minister I have ever seen in my 18 years of Parliament.

Under the regime of this finance minister we will see a situation in the coming year in which growth will be restricted to just a 1 per cent increase in the gross national product, according to the Conference Board in Canada. The cost of living will increase by 10 per cent or more if the price of oil moves up as the province of Alberta wishes, and unemployment will undoubtedly increase by at least a half to 1 per cent in the next year over what it was in the last year.

I would like to remind members on the government side that on December 13, 1979, their party voted for an amendment moved by the New Democratic Party to their amendment on the budget of the Conservative party. That vote led to the end of the Conservative government. Our amendment was supported by the Liberal party, so we assumed that they endorsed its principles. Our amendment was:

—and this House unreservedly condemns the government for its outright betrayal of its election promises to lower interest rates, to cut taxes, and to stimulate the growth of the Canadian economy, without a mandate from the Canadian people for such a reversal.

When the Conservatives were in power, the interest rate was approximately 11.5 per cent. In the few months in which the Liberal government has been in power, it went up to approximately 17 per cent. Of course, the minister is now taking credit for the fact that it has gone down, but the interest rate is still at 13.75 per cent, more than two percentage points higher than what it was when the Conservatives were in power.

The government has done nothing to lower interest rates or cut taxes. There have been no tax cuts at all. The only consolation is that it has not levied the 18-cent excise tax per gallon of gasoline proposed by the Conservative government. There have been no measures to stimulate the growth of the Canadian economy. It is obvious, particularly since the United States is moving rapidly into a major recession, that we are going to have much more unemployment in this country in 1980 than we had in 1979.

I would like to spend a few moments putting on the record some of the comments which were made by members of the Liberal party while in opposition and who are now members of the cabinet in the present government. The present Minister of Industry, Trade and Commerce (Mr. Gray) said on December 12, 1979, the day before the Conservative government was defeated, as reported at page 2299 in *Hansard:*

What we should have had from the Conservatives last night was a budget that would reduce inflation, strengthen the economy and create more jobs for Canadians—

Where is the Minister of Industry, Trade and Commerce now when we need him? Why is he not saying the same things and giving the same message to his colleague the Minister of Finance? Now the Liberal government is refusing to bring in a budget, just as the Conservatives did for so many months, and we are to give the government authority to borrow $12 billion.

The Minister of Industry, Trade and Commerce was not the only Liberal member who took that line. The following day, December 13, 1979, the present Secretary of State (Mr. Fox) concluded his attack on the Conservative government with the following paragraph which is reported in *Hansard* of that date at page 2349:

So there, Mr. Speaker, after six months in power, this is the only record of the Progressive Conservative government: the highest interest rates that members in this House have ever seen and an unemployment rate—as the result of measures put forward by the Minister of Finance (Mr. Crosbie) who does not seem

pleased that we already have such an unemployment rate—that will make it impossible for 850,000 Canadians to find a job. In addition to that figure, the policies of the minister unavoidably lead to the unemployment of 986,000 Canadians in 1980. I will end on those comments, Mr. Speaker. Such is the record of the government. It is time that we put an end to it and that we close the books.

Now, in 1980, we have higher interest rates than what the present Secretary of State was talking about last December. We have more unemployment and we have higher inflation. So much for Liberal promises.

One of the things about which the Liberal party spoke so fervently while in opposition and during the election campaign was the failure of the Conservative government to adopt an industrial strategy, a failure which led to an increasing decline in our manufacturing industry which is the backbone of every industrialized country. It seems to me that government members have forgotten the criticism which they levelled at the Conservatives and what they voted for then, now that they are in government. The Prime Minister in a number of his speeches during the election campaign mentioned this kind of need. I would like to quote from a speech which he made on February 12, 1980, in Toronto. He said, among other things, that a Liberal government:

—will convert the Canada Development Corporation into a bigger player in industrial development along the lines of Petro-Canada's role in energy.

Have we heard a word about that promise? Silence. He further said that the Liberal government:

—will capitalize on Canada's energy base in order to build a world-competitive industrial sector.

Have we heard a word about that? Silence. And further he said the Liberal government:

—will strengthen Canadian industry's research and technological capacity by encouraging development of Canadian-controlled high technology firms and ensuring that foreign multinationals expand R and D efforts in Canada.

Those are just a few illustrations of what the Prime Minister was talking about at that time. Have we heard anything about any of those promises? Of course we have not, because the Liberals are now in office and they have a few years before they must think up a few more promises. What we see is that the Liberal government is retreating from its pre-election promises of more intervention into the economy, in the same way that the Conservatives broke their promises.

The problems are becoming more serious as time progresses. In a recent issue of *The Globe and Mail,* Geoffrey Stevens dealt with the whole question of the need for the Government of Canada to change its ways and become involved, as other governments have in the industrialized world, in the whole process of research and development. He quoted the following paragraph from the Speech from the Throne:

My government reaffirms its commitment to increase Canada's over-all expenditures on research and development to 1.5 per cent of the value of the gross national product.

That paragraph was in the Speech from the Throne on April 14 this year. The government has been making that promise for more than a year, Mr. Speaker, and every few months putting back the date when it expects to achieve that 1.5 per cent of gross national product expenditure on scientific research and development.

• (1630)

Mr. Stevens went on to give some of the figures that show the real record of how we have failed. He wrote:

We haven't even tried to keep up with our industrial competitors. In 1968, Canada's 'gross expenditure on research and development' (known to its intimates as GERD) was 1.26 per cent of gross national product. In 1969, the Organization for Economic Co-operation and Development (OECD) recommended that Canada's GERD should be raised to between 2.1 and 2.4 per cent of GNP. In 1972, the Senate Special Committee on Science Policy (the Lamontagne committee) recommended a GERD of 2.5 per cent by 1980. But by 1978, our investment in R and D, had, yes, fallen—a GERD of 0.94 per cent of GNP.

We invest less than half as much of our national wealth in R and D as other developed countries do.

This is the record of this government which has talked so much about the need to get our economy moving and the need to get our country moving in the direction in which other countries have long since moved.

I had the opportunity last fall to spend a day and a half in Japan. Those of us who were there were briefed by the Canadian ambassador in Tokyo on how the government of Japan, a free enterprise government, goes about promoting private industrial research and development. We were given a document prepared for the Canadian ambassador in July, 1979. Any resemblance between the way in which the Japanese government encourages research and development in their country and the way it is done in our free enterprise system is purely coincidental.

I should like to put on record a summary of the system followed in Japan. The report to which I refer is restricted to research and development activities in the physical sciences and reads in part as follows:

The most important ministry in industrial R and D is the Ministry of International Trade and Industry, which has two R and D related external agencies. One is the Agency of Industrial Science and Technology. (AIST). The other is the Small and Medium Enterprise Agency (SMEA).

The responsibilities of the AIST include research and development of industrial technology of national importance which is conducted in 17 research laboratories, the promotion of research and development by the private sector, and the standardization of the industrial technology.

For small and medium-size companies, special care is needed. The restrictions on government subsidies and loans for large companies may be too severe for small businesses. Hence, SMEA is used for this sector.

The Science and Technology Agency (STA) in the Prime Minister's office co-ordinates and promotes science and technology R and D in five major fields; (1) nuclear technology (2 space development (3) marine technology (4) disaster prevention technology (5) others, jet engine development and remote sensing R and D. Most of these areas, except nuclear technology is not yet profitable; however it is necessary for the future and hence the government assumes responsibility here.

Compare that with our government disinterest in and rejection of any responsibility to give any real leadership in the field of research and development. The report continues:

Approximately 50 per cent of the Science and Technology R and D in 1977 went to universities. It should be also noted that in university research expenditure, 56.4 per cent went to basic research, 38.2 per cent went to applied research, 5.3 per cent went to development research in 1976.

The government R and D involvement is roughly divided into two categories. One is for R and D in which the government is directly involved and the other one is where there is no direct government involvement. The result of the R and D belongs to the government in the case of direct government involvement and to the company in the case of indirect government involvement.

I could go on, Mr. Speaker. The Japanese are spending more than twice as much of their gross national product on research and development as Canada. Is it any wonder that their economy is booming, that their manufacturing industries are alive and growing while ours are declining and, in many cases, dying?

Just one last point on the Japanese situation. In their system, tax deductions are far less attractive than the other loans and tax-free subsidies which can be obtained by doing what the government wants done. Thus many corporations are attracted to the activities the government wants done.

These conditions affecting the success of corporations in getting subsidies are detailed. They include technical competence, sound planning and management, financial stability, and they cannot be a foreign-owned or controlled corporation. The cost of purchasing or manufacturing tools, machinery and buildings is also taken into account. Compare that with what we do and do not do in Canada and you will see why they are moving ahead while we are in a declining situation.

The government may want to encourage manufacturers to invest more money to improve their productivity and to employ more people. There is very little indication that this is the case.

Under the headline "Canadians Must Triple Manufacturing Spending", there appears the following article in the Montreal *Gazette* of May 26:

Manufacturers have to make up for lost time and invest three times more in this decade than in the 1970s, says J. Edward (Ted) Newall, who takes over today as president of the Canadian Manufacturers' Association (CMA) at its Ottawa convention.

"In the 1980s we will have to invest a lot more than the $50 billion of new money that went into manufacturing in the 1970s."

Later in the article Mr. Newall is quoted as saying:

"We're looking at investing $150 billion to $200 billion in Canadian manufacturing in the 1980s. We will have to have confidence to invest that kind of money and take those kinds of risks—"

I do not know how they can have that kind of confidence given the failure of this government over the years. This government has been in office, except for those few short months when we had a Conservative abberation, for more than 20 years.

We have had a great deal of talk about the need for an industrial strategy and the need to do something about our lagging productivity, yet we have done very little about it. In an article in the *Financial Times* of May 26, 1980, Don McGillivray wrote:

During the past seven or eight years, Canada has steadily lost ground in some of its areas of previous economic strength, becoming more dependent than ever on imported capital and on the markets for its primary products.

Since the last recession began in 1974, for example, Canada has created about 1.8 million jobs. But only 130,000 of the jobs have been in manufacturing, which has thus declined in the proportion of the nation's work force employed.

B. W. Wilkinson, an Alberta economist, said in a study published last week that this is not so much because the performance of the manufacturing sector has declined as because it has failed to keep up with performance elsewhere. What was good enough in earlier years is no longer good enough.

● (1640)

His argument was echoed by the president of the C. D. Howe Institute, Carl Beigie, who said in a speech in Montreal a few days ago that incentive programs by government should favour reinvestment of profits and discourage increased dividends or the use of capital for mergers and the acquisition of other companies. Today is not the time to go into it in detail, but what we have seen in the last couple of years is a host of mergers, of purchases of one corporation by another which may have brought benefits to the corporations and their shareholders when they purchased another company, but really did nothing for Canadians in terms of improving our productivity or bringing more modern methods of production to this country.

During the campaign before the February 18 election, the Liberal party advocated a strategy which would involve more government action. Where is that government action? We have not seen it. What we need very badly is an industrial strategy which will put the people of this country to work, the more than one million people who want to work and who simply have been unable to find jobs.

If we are going to accomplish that objective and put the people of Canada back to work and find jobs for the very large number of well-educated, highly-trained, skilled young people who are looking for work now in the hundreds of thousands, work which is not there, we must have a plan. We must have an industrial strategy. We must plan by studying our economy, sector by sector, as advisory groups representing both labour and management have already recommended to this government. There should be a permanent secretariat serving those advisory committees so that solutions to our industrial weaknesses can be worked out through long-term discussions rather than enforced by arbitrary and by seat-of-the-pants decisions made because we are facing a crisis in a particular sector of our economy.

Second, we must set up an investment fund system such as they have in Sweden whereby companies are not given tax concessions automatically, as they are in our system. They are given assistance only if they place a portion of their profits in a special government organized fund from which they can receive tax benefits. This could be done here if and when they propose to expand their facilities and if and when they propose to increase their labour force in Canada.

What we do not need is the kind of thing which International Nickel did. It used the profits that it made in Canada elsewhere. It used the money, the deferred taxes, which it did not have to pay to the Government of Canada, and loans which it got from the Government of Canada, to open facilities in countries such as Indonesia and Nicaragua to mine nickel which will be sold in competition with nickel mined in Canada. This will probably increase the profits of International Nickel, but it means three or four thousand less workers are employed

in Canada. That is the kind of tax system that we have had up until now. This is something which we in the New Democratic Party want to see disappear.

We need to have an industrial strategy. We need to aim to strengthen certain of the basic industries which are found in every well-managed, successfully functioning industrial society, many of which industries are now located outside of Canada. These are industries which supply input to other industries producing final products. These basic industries include those that produce industrial machinery, industrial equipment, chemicals, plastic materials, telecommunications and basic metal fabricating products. These are the foundations of a modern industrial economy.

To meet our needs in these categories we depend very heavily on imports. When our economy is moving ahead, when it is stimulated, which is not happening now, it is in precisely these fields that we have to expand our imports. What we do is produce jobs in other countries instead of in Canada. If we are to find jobs for our people, we must substitute Canadian production to replace the present policy of importing these products. In some of these industries we should encourage such specialization and efficiency so that we will be able not only to meet Canadian requirements but to compete for a share of business on a worldwide scale.

I have used this illustration before, but we are frequently told by representatives of Liberal governments and by some of our manufacturers that it is very difficult, if not impossible, to compete with large countries such as the United States and Japan.

I have pointed out before and I will do so again that the sound system in this chamber was produced in Austria, which I suppose has one quarter the population of Canada. Austria produced the sound system, these speakers and microphones, and sold it, I presume in competition with Canadian manufacturers, and installed it here in Canada. I say that if Austria can have an industrial strategy and if Sweden can, both countries being much smaller than Canada, then Canada can have one too.

Let me give some examples of specific industrial opportunities that we ought to be exploring. First, I think of the transportation industry. Because of the shortage of oil and the shocking increase in the cost of oil, we must move, as other countries must move, to the modernization of our mass transit system. If we do that and increase the number of people who use public transit, we must concentrate on a new and improved technology for those systems. We can do that in Canada if we set our minds to it, rather than importing that kind of a system from other countries, something which we have done so frequently in the past.

Our passenger and freight movement by the railway must be made more efficient. Rail lines, railways, railway engines and rolling stock must be upgraded. We should be looking at the electrification of our railways. We have some companies in Canada, I think in Quebec and Ontario—for example, the Bombardier company—which have gone into these fields. What these companies are doing mainly are producing for sales in other countries, not for sales in Canada. That seems to me to be part of the continued shortsightedness and lack of vision governments have had in recent years.

Now I come to the automobile industry and the automobile parts industry. It has been estimated that somewhere between one in ten and one in six people in Ontario, our largest province, work in the automobile industry or a related industry. We have a deficit of about $2 billion a year in our automobile and parts trade with the United States. We must renegotiate the automobile pact with the United States with the objective of eliminating that $2 billion a year deficit. We need a greater share of the parts manufacturing industry in Canada and a substantial increase in the design and development facilities of the automobile industry. We have been restricted and relegated mainly to assembly type jobs in this country. That simply is not good enough.

• (1650)

Then we have the whole field of agricultural machinery. This country which produces such tremendous amounts of the world's foodstuffs is at the same time one of the largest importers in the world of agricultural machinery. The tariffs on farm machinery between Canada and the United States have been removed. We produce between 7 and 8 per cent of the North American market for agricultural machinery, but Canadian farmers purchase 12 per cent of the farm machinery produced in North America. If we produced a fair share of the North American market, employment would be increased by 50 per cent. That would automatically stimulate other industries, such as the steel, rubber and electrical equipment industries.

One last illustration is the machine industry and the equipment industry. These are high technology industries characterized by favourable working terms, high wages, high skills, clean working conditions and so on. It has been estimated that the industry now employs about 120,000 people and production is about $5 billion a year. However, we import $5.5 billion a year of this kind of equipment. We see that a high degree of dependence on imports of machinery is evident in almost every category—forestry equipment, construction equipment, machine tools and even oil and gas drilling machinery.

Even though there is a tremendous spurt in the search for oil and gas in Canada, we import most of that equipment from the United States. We need an industrial strategy. The government should begin putting into place some of the promises with respect to an industrial strategy made before and during the last election campaign.

I want to deal with another aspect where the government has failed completely, and that is in the field of manpower training. On April 1, as reported in the Winnipeg *Tribune*, the Minister of Employment and Immigration (Mr. Axworthy) announced that a high level group of civil servants was working out a new multimillion dollar job-creation package to be ready in time for the April 14 opening of Parliament. We are some six weeks past that date—

Mr. Blenkarn: And we have not seen a thing.

Mr. Orlikow: No, we have not seen a thing. I do not often agree with the hon. member for Mississauga South (Mr. Blenkarn), but this is one occasion when I have to agree with him. All we have seen so far is an employment tax credit bill which is so weak that it will have virtually no effect.

It is now being said that the minister is planning to issue a position paper on unemployment insurance, manpower training and job creation. When? In January of next year. It will be based on previous studies which have been done. We have had study upon study, task force upon task force, report upon report. What we need is not more reports but action, but action we have not seen.

Let me indicate what are some of the studies which have already been completed. In 1977 we had a comprehensive review of the Unemployment Insurance Act. In the fall of 1979 there was the review of unemployment insurance made by Mr. McCrossan. Then there was the interdepartmental evaluation of the Canada manpower retraining program. Who knows how many other departmental studies of manpower programs have taken place or are taking place at the present time.

In the meantime, the government is ignoring the critical employment problems in Canada. For example, there is a critical skilled labour shortage in Canada. In the *Financial Post* of May 10, several weeks ago, it was reported that:

—85 per cent of companies in the machinery industry still report at least some difficulty obtaining journeyman workers, but there is now hope that training programs now being implemented will start to meet that need.

What those training programs give us is a couple of hundred people being trained when the need runs in the thousands. I quote from another article in the *Financial Post*.

The skilled labour shortages that have bedevilled Canada for years could be with us until 1985. That's the opinion of 1,354 Canadian companies surveyed by the Economic Council of Canada for a report to be released in June.

In my own city of Winnipeg, the *Free Press* of May 20 pointed out:

Like the rest of the Canadian mining industry, the north is faced with a continuing and critical lack of skilled personnel and has had to resort to importing tradesmen from other parts of Canada and overseas.

That is a quote from a speech made by the divisional personnel manager of Sherritt Gordon Mines in northern Manitoba. In *The Globe and Mail* of May 26 there was the following report:

Firms involved in training are mostly located in the highly populated and industrialized central region of southern Ontario, and tend to be large. These firms believe that all businesses within their respective industries should support employee training in some way.

They believe it, but they have not been willing to put their dollars where their beliefs are. They have done very little. In doing very little they have been aided and abetted by Liberal governments and many of the provincial governments, because none of our governments have really addressed themselves to the problems of manpower training to meet the need for skilled workers which we face.

We in the New Democratic Party support the principle that all firms should be involved in manpower training. This should be based on a British type training tax whereby all companies would contribute to an industrial training fund, and whenever they trained workers they could obtain rebates to meet some of the costs which they have incurred.

Not only have we failed to meet our manpower needs to give our industries the skilled workers which they need, and not only have we continued to depend on immigration, bringing people from other countries to meet our need for skilled workers at a time when we have almost a million unemployed, but we have failed and are continuing to fail to meet the needs of the—

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

Some hon. Members: Carry on.

The Acting Speaker (Mr. Ethier): I would have asked if there was unanimous consent, but the hon. member for Bruce-Grey (Mr. Gurbin) was seeking the floor. I might ask if there is unanimous consent for the hon. member for Winnipeg North (Mr. Orlikow) to continue.

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): There is not unanimous consent.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I join in the debate on Bill C-30 introduced by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) for borrowing authority of $12 billion for the fiscal year 1980-81, and seeking explicit authorization for the government to borrow in foreign currencies as well as Canadian dollars.

I was moved to rise to speak on this bill after taking a look at the actual bill. One of the amazing things about the bill is the size of it. It is about one-third the size of a regular page of *Hansard*. In that one-third page we are asked to give authorization for borrowing authority of $12 billion.

This $12 billion is to be borrowed at a time when the Liberals say they have no budget. Borrowing is taking place to fulfil the commitments made in a "non-budget" which was actually the budget the Liberals felt was so bad for Canada that they had to defeat a Conservative government. Judging by what was left out, the provisions the Liberals thought were bad for Canada included mortgage and property tax credit, energy tax credit and capital gains tax relief. It is obvious Liberals believe that putting money back in the taxpayers' hands is bad for Canada.

● (1700)

Then again, the non-budget ignored the question of paying for imported oil. This year, $3.1 billion will be paid as import subsidies. The Liberals say they will pay for this in a phased-out manner with a blended formula. This blended formula is a little bit to my mind like robbing Peter to pay Omar. What it is doing is taking money from Canada and sending it to the

OPEC nations in order to satisfy the Liberal's claim that they can provide a cheaper price than the Conservatives could.

There is no telling where that import subsidy will stop, no telling how long it will take for that outflow of dollars from the Canadian economy to be halted because we have improved our own production. It's a dirty trick. It's a modern-day, dirty trick on the Canadian people. It is a "robin hoodwink", an effort by the Liberal government to absolve itself from the responsibility it has to provide for the energy future of Canada.

Recent OPEC price increases also indicate that more borrowing bills are on the way. If this is an example of how we are going to pay for that in import subsidies, government members are such profligate spenders that even at one-third of a page per $12 billion it won't be long before we have a whole book full of these bills. And that is at $36 billion a page!

Government spending under the Liberals has grown rapidly and to frightening proportions, from $12 billion in 1968 to over $50 billion in 1979. In 1978-79, the government under the present Prime Minister (Mr. Trudeau) had a deficit of $12.1 billion more than the total budget of 1968. There were deficits in ten of the 11 years of his administration. I am not sure what happened in the other year.

Over the same period the consumer price index went from 4.0 to 9.1. Unemployment went from 4.5 per cent to 7.5 per cent. It is obvious that the government's policy of buying our way out of trouble does not work. Spending increased at an average annual rate of 14 per cent. As a percentage of the gross national product, federal government spending grew from 16.8 per cent in 1968 to 20.5 per cent in 1978. Spending simply grew out of control. For example, the net debt tripled between 1974 and 1979 and in 1978 alone UIC overpayments amounted to $290 million.

During the last election, the Liberals committed themselves to making no tax increases while promising to reduce the deficit in a phased and orderly manner. This is an exercise in "double-think". Those commitments are never to be kept. We are seeing now, with the proposals and the extrapolations, where that deficit will go. It will increase; it will clearly increase. Canada's gross debt amounts to $97,991 million and net debt amounts to more than $57 billion. Out of every tax dollar, 22 cents is used to pay for interest on debt which is costing us $1 million an hour. This leads to an annual cost per capita of $356 or an annual cost per taxpayer of $964. Every time this government in its past incarnations has introduced a budget within recent memory, it has spent more than it has received in taxes. These continued deficits merely add to the debt.

Mr. Speaker, there are only four ways in which the government can pull itself out of this cycle. In order to prevent deficits and begin to pay off the debt the government must do one or a combination of the following: It can liquidate assets—some people say they have already sold the farm; they can collect more taxes—and this appears likely; they can enlarge the tax base by increasing the gross national product; or they can cut back on services. The most unlikely scenario is that the government will be able to stimulate growth in the economy in such a way as to pay off our debts. It is far more likely they will follow their old pattern and actually increase government expenditures while the nation's economy sours. Given such a history of mismanagement it is no wonder the country is heading toward a recession.

The Liberals tend toward big government and bribe taxpayers with their own money. New programs are instituted and are paid for with borrowed dollars. Two years down the road, taxes are raised and then the taxpayer has to pay for the cost of the program as well as the interest on the borrowed money. Then the cycle repeats itself. The country is constantly playing catch-up to pay for yesterday's promises.

The voters who rejected the Conservative proposal that Canada should start paying her bills will be rudely awakened by the final cost of this form of government. There can be no doubt that our energy bill under this government will come as a harsh surprise. The surprise will be greatest among the members of the middle class who thought they would get off lightly by voting Liberal. Experience has shown that the wealthy have an extraordinary capacity for avoiding measures designed to redistribute income. At the same time, the poor have not benefited substantially from the government's social policies. What has really happened is that the middle class has become more heavily burdened and less able to foot the bill.

The party opposite defeated the Clark administration because it felt our tax credits did not do enough to help those who needed help the most. The fact is that our tax measures would have aided the people who would have done the most to ensure that economic growth would continue.

Let us examine some of the items which escaped Liberal notice when they decided to introduce our budget. First, a mortgage and property tax credit. This would have provided for saving in taxes of up to $1,250 on a mortgage. It would have resulted in a flat $250 saving on property tax per year.

Next, the energy tax credit. To shelter low and middle income Canadians from higher energy prices the budget offered a refundable tax credit of $80 per adult and $30 per child. Under our capital gains tax relief proposal farmers would have been able to defer from taxable income $200,000 of capital gains by transferring some of those gains to an RRSP. The common stock investment plan and changes to the rules covering RRSPs would have encouraged Canadians to invest in Canadian companies.

The differences between the Liberal and the Conservative approach include a slowdown in the housing industry, a mortgage crunch, no resolution to the real cost of energy, no assistance to farmers in fighting inflation, no growth in Canadian investment in Canada and a continued commitment to a growth in the deficit. This is the result of the Liberal plan. The Liberals have the misguided and dangerous notion that governments are more efficient than private citizens.

One of the most frightening things in the Speech from the Throne is the notion on the part of the government that the Canadian people want more government rather than less government. This is foolish. The private citizen knows when he

does not have the money to pay his bills and thus stops spending. The government does not notice. The government does not understand this. Private industry, monitored by government, is, as a result of both economic and legal checks and balances, less likely to be corrupt or poorly managed than government working alone can be. However, these are facts the Grits are unwilling to accept, because if they did they would also have to admit they are responsible for the disaster that Canada's economy has become. The Liberal government is like the person who, faced with a choice between putting his money in a sound investment which would give him a return on his money or buying a luxury good which rapidly devalues, buys the luxury good. There is a heavy cost for failing to consider the future. In practical terms, this translates into the sort of government which would prefer to increase welfare payments instead of creating new jobs—unemployment insurance rather than employment insurance.

● (1710)

Let us look at what this sort of thinking does to Canada's most efficient industry, agriculture. Let us look at agriculture from the perspective of agribusiness. The term refers to all industries and agencies which own, manage or profit from activities directly related to agriculture. The two biggest sectors are farm supply and the food and beverage industries. The food and beverage industries are the largest source of manufacturing employment in Canada, 200,000 workers.

Farmers have annual expenditures of about $500 million in connection with their operations. They buy such things as energy, fertilizer, manufactured goods, transportation and chemical sprays. As well as the few agribusiness companies there are many companies which earn a portion of their profits from some involvement in agriculture. This includes companies like Ford Motor Company, which has a farm machinery division which is the fourth largest in the world and it specializes in farm trucks. It includes Imperial Oil, which manufactures and sells fertilizers as well as its usual items. It includes Canadian Pacific, which benefits from grain marketing through railways, owns a fertilizer plant, speculates on farm land through Marathon Realty and profits on farm fuel sales through Husky Oil.

The point of this discussion is to show that Canada cannot afford to ignore the needs of the agricultural sector. However, this government has chosen to do exactly that.

An hon. Member: Good point.

Mr. Gurbin: Let us consider some of the figures on farming as they were outlined in *The Toronto Sun* on Sunday, May 25, 1980.

> The average dairy farmer in Ontario is $80,000 in debt, on an investment of about $330,000.
>
> The province's farmers, together, are $3.2 billion in debt. For every one per cent rise in interest rates, an extra $32,000 in interest must be paid. And although rates are falling, the crush of the past six months has already taken its toll.

Over all, Canadian farmers owe about $12 billion in debt, an amount almost equal to the national deficit, and as farm incomes decrease, that debt grows. Young farmers are being squeezed out and, as they go, so does our food supply, our lending institutions, the 200,000 people in the food and beverage industry and everyone else who depends in full or in part upon agriculture for his income. What does the government do? Nothing. It allows young farmers to go bankrupt, and by way of rewarding those who manage to hang on, when it is time for the farmer to retire, he is taxed so heavily upon the sale of his farm that he cannot enjoy the fruits of his labour.

The government says that capital gains tax relief is unfair and that there is no need to protect farmers from high interest rates and low prices. It is a matter of principle for this government—what else can it be?—because one-third of a page and $12 billion later this government has shown that it is willing to spend money. But it is unwilling to spend that money to help farmers. Capital gains tax relief is fair. It is the government that is unfair. Farmers need protection from high interest rates and low prices, but they also need protection from a spendthrift government. The national farm debt is $12 billion, and that is what is Bill C-30 amounts to. It amounts to one-third of a page and $12 billion.

How will we get those $12 billion? I can picture the solution of the Minister of Finance now. He will raise farmers' taxes. I hope the Minister of Agriculture (Mr. Whelan) can justify his colleague's actions, as Canada's truly last productive industry goes under. What we do not have is a national food policy; we do not have a commitment to the farmers of the nation and we do not have an agreement between the Minister of Finance and the Minister of Agriculture. We do not have that understanding, and that is unfortunate for the farmer.

Other areas of our economy are similar. They have the same problems. We wonder now what kind of government we are getting. What kind of commitment does this government have? It originally had a commitment to a decreased deficit, and we see the results of that now. Three years of inflation will totally wipe out the commitment this government made to the social welfare of people to whom it has just given $35 by way of old age pension increases. We see an arrogance. I think arrogance can be defined as 142 seats.

Hon. members opposite are secretive. The amount of $12 billion is before us, and we have no idea of how it is to be raised or how it is to be spent. We have a government which is choking free enterprise by increasing taxes—corporate taxes are to be increased—by increasing red tape and by allowing high interest rates.

One of the worst problems is that many of the social measures which have been instituted—measures which should help people—are doomed to failure because of the lack of ability to continue to pay for them or because inflation will rob real increases.

People in the country are becoming cynical. They are becoming cynical for a reason: this Parliament is becoming irrelevant. Hon. members opposite occupy 142 seats, and now we are getting this type of bill. We are getting one-third of a page, with no understanding at all, in order to borrow $12 billion, and there is no ability to control. We are financing by

reaction and by patronage, and we are crippling our country. I think this has to change by way of responsible planning.

The first speaker to speak against this bill asked that the Minister of Finance bring before this House certain measures which would allow the House to understand not only the purpose of this bill but also some of the more important aspects in terms of how the money is to be raised, how that relates to the entire financial picture of the country and what effect it would have on our economy.

It is my purpose at this time to join in asking and imploring the Minister of Finance to bring before the House all the things that the previous minister asked for. These things are important if hon. members on this side of the House are to understand what this bill is all about and what this $12 billion is going to do. I ask that the Minister of Finance do that.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the bill before us is a bill to authorize the borrowing of $12 billion, $12,000 million. The way the estimates are presented to us, we have a tendency in this House to leave out zeros. Once upon a time this government said, "What's a million?" Now it says, "What's a billion?" The minister came here last night and said, "Well, I just want $12 billion". He sat down after five minutes, and that was the end of it. However, we must impress upon the government that it is asking this House to give it the right to go to the country and borrow $12,000 million.

There are 282 members of Parliament in this House. Members of Parliament are generally pretty well connected around their ridings, but I doubt if all the members of Parliament in this House collectively know 12,000 millionaires. This government is asking us in one bill to give it the right to expropriate, take, grab or borrow the money of 12,000 millionaires. I think the hon. member for Bruce-Grey (Mr. Gurbin) said that this one bill uses three-quarters of a page of paper. We are asked to go along without any facts or any plan for repayment. We are asked to go along without being given any direction, any budget, any demonstration of need or any evidence other than what this overspending government proposed in what was not even a budget—hon. members opposite say the speech was not a budget on April 21. They now say they have a $14 billion deficit this year. I suppose that deficit is to be stimulative in order to get us out of the hole tomorrow. There is no plan before us. There is no budget before us. There is no policy before us which in any way indicates why we need the money, for what purpose, where the money is to come from, what plan there is for the repayment of that money or how it is going to help the economy of Canada.

We heard last night a five minute statement by the Minister of Finance (Mr. MacEachen). It was his second statement in this session of Parliament. In that five-minute statement he said, "Give me another $12 billion, boys". That is not good enough for us. It is not good enough for this party, and this party will not go along with that position.

• (1720)

We took over this government last May for a short period of time. They call it the interregnum. At that time we took over the problems which have been set out by the Auditor General. He said that they lost control of spending. We took over the problems set out by the Lambert commission and the d'Avignon report which show the government lost their ability to manage, and they made their recommendations on how this country should be managed. We took over the disaster that was created.

They did not like us taking over, so they conspired with their friends to my left, they conned them into it and tossed us out. But the big problem is that in the interval, in those few months when we had the opportunity to look into the affairs of Canada with ministers of the Crown now sitting in opposition on this side—particularly the hon. member for York-Peel (Mr. Stevens) and the hon. member for St. John's West (Mr. Crosbie)—we had the opportunity to go over what was happening, to find out what those borrowings were all about, and how we could get out of this mess. So they can no longer come to us as they had in the past and give us the con job, because we know where the money has gone, we know where it has been wasted, and we know what to ask them when they come before committee or this House.

The President of the Treasury Board (Mr. Johnston) cannot get out of it with a quick little answer, as his Liberal predecessor used to be able to do; nor will the Minister of Finance be able to get out of it. It is time they came forward and gave us their plan. After all, they were all fired up to defeat the government which was elected last May. They said they had a system organized to reorganize the affairs of Canada. Presumably they had it all organized when the Conservative government was defeated last December 13. They have not produced it and it is time they did. I say to you, sir, and to the government opposite, that until they produce it, until they produce some evidence in a proper budget of how money is to be spent, a proper economic statement such as the one which was produced last fall by the former government, they can wait, wait and wait for the borrowing authority to be given them. Or they may have to use other methods.

In July of last year when the hon. member for York-Peel first took over as president of the Treasury Board, he made certain projections as to where the spending plans of the Liberal government were taking us. Those spending plans for the period from July until January, 1980, were changed and new projections made. The projections resulting from the December 11 budget represented a change in the spending program and the deficit program, and indicated control over the growth of government. May I refresh your memory, sir, by telling you that the December 11 budget presented a spending plan over four years which committed the government to no more than a growth in expenditure of 10 per cent, which was calculated to be the approximate inflation rate.

In other words, the government of which we were a part was prepared to limit the growth of federal government expense to exactly the rate of inflation and no more. Thus the 10 per cent

growth in constant dollars would represent a decline in the percentage of the gross national product to cover the costs of running the federal government. The result was a definite program to reduce the required borrowings and required deficit very dramatically so that the borrowing anticipated would be reduced from a requirement of $9,940 million to $4,790 million in the four-year period. That was a dramatic reduction in the amount of money required to be borrowed.

We now have a government which says: "We do not care for those projections. We will go back to the same kind of thing we had before. We will continue to operate in the same way, no matter what the d'Avignon report said and no matter what the Lambert report said or what our Auditor General, Mr. Macdonell, said. We will go on operating in exactly the same way."

Strangely enough, the former president of the Treasury Board had a projection in his January statement of gross government expense in that period if we went back to the old plan as opposed to where we would be if we had followed the plan presented by the hon. member for St. John's West in his budget of December 11. The then president of the Treasury Board in that projection said that the gross government expense for 1981 would be $58,994 million. Actually, he was a bit low in his estimate. The Minister of Finance said it would be $60 billion, so he was out by about $1 billion. He did not think they would spend quite as much as the Minister of Finance had said they would spend. But he projected that the deficit in 1981, if the government proceeded on the same basis as the previous government, would be $14,949 million.

Let me tell the House what he thinks the expense will be next year if they carry on in the nonsensical way in which they approach things. He said that in the year 1982 the budgetary expense will be $66,354 million and the deficit will be $16 billion; in 1983 the budgetary expense will be $74 billion and the deficit will be $16.5 billion; and in 1984 the budgetary expense will be $82 billion and the deficit will be $18.25 billion. That is what they have for us, that is what we are afraid of, that is what we are upset about, and we will not support that type of program any longer.

We are demanding of this government—and we say the people of Canada will probably demand it vigorously soon—that there be some proper accounting, that there be a plan to reduce the debt, the deficit, and the amount of government expense. They have a duty to the House and the people of Canada, having taken over the government, to produce the kind of accounting that is demanded by our Auditor General and the kind of government that Lambert and d'Avignon said was absolutely necessary.

The minister says he proposes to take in taxes $45 billion and he proposes to spend $60 billion. In other words, he proposes to spend this year 25 per cent more than he takes in. For every $4 he spends, he takes in $3 in taxes. We will go in the hole by 25 per cent this year.

• (1730)

What has been the practice over past years? In 1978-79 we took in $35 billion and we spent $47 billion. Again we took in three-quarters of what we needed. In 1979-80 we took in $40 billion and we spent $52 billion, so the same ratio applies. You take in 75 per cent in the form of taxes to cover what you need and you borrow, beg, steal or whatever the rest. It cannot go on. I say to the parliamentary secretary, so that he will give this message to the minister, that it cannot go on. He had better come up with a plan and program to show the people of Canada where we are going.

Where are we going? You cannot come to this House and say "Give me another $12 billion", without a plan or a program. The former minister of finance, the hon. member for St. John's West, came clean with the people of Canada back in December. He produced a budget which set out what would likely be the revenue receipts and expenditures for not only the fiscal year 1980-81, but for 1982, 1983 and 1984. He set out in pretty fair detail what would likely be the unemployment problems, what would likely be the inflation problem, what would likely be the size of the national debt and where we were going. Members on all sides, particularly members from this government, stood up and said: "This is terrible, we are going to have unemployment". We sure got it. They said, "We are going to have inflation", and we have it. Let me tell you, sir, we are going to have a lot more inflation and unemployment if we carry on in the way we have been. We must have and we demand some sense of responsibility.

One of the things that bothered me, and certainly bothered the hon. member from Winnipeg who spoke earlier, was that the statement—and apparently that is what it was—on April 21 was presented to this House with a whole series of tax measures, small changes, alterations and proposals almost identical to the proposals made by the hon. member for St. John's West in his December 11 budget.

The other day I was looking for an extra copy of the statement of April 21 and I sent my secretary down to the minister's office for a copy of the mini-budget. The staff down there were very upset at the term "mini-budget". They said that it is only an economic statement. Whether it was an economic statement, a mini-budget or a Minnie Mouse budget, it certainly was no kind of accounting that could properly be described as a program on which a responsible government would come to this House looking for $12 billion.

That budget, or whatever you want to call it, of April 21 did the nickel on the booze and cigarettes, it did the nickel on corporation tax and it raised sales tax on cosmetics. Certainly the government across there does need some cosmetics. That government is trying to make pretty pictures and it raised the charge on pretty pictures, but it did nothing to come to grips with the real tax requirements in terms of oil and oil pricing. It did nothing to come to grips with how it was going to reduce expenditures and the rest of it. That is what we require from this government now.

I was fortunate enough to have the opportunity to obtain some briefing details in respect of how the financing of this

government is carried on. I should like to point out to this House what has happened with regard to debt in this country, the amount of money we Canadians owe, and what has happened over the past years.

When the Prime Minister (Mr. Trudeau) first became Prime Minister, or by the end of his first year, the amount of unmatured net debt of the country was $21.725 billion. By 1977-78 it had increased to $51.57 billion. At the end of October, 1979, which is the last accurate figure I have, it was $68.067 billion. I am told through my inquiries of the Bank of Canada and elsewhere that it is likely to be $81.5 billion to $82.5 billion by the end of this fiscal year.

This increase in debt, which I might point out was being carried when the present Prime Minister took office for somewhere around 4.5 per cent per annum and right now is costing us very close to 12 per cent to 12.5 per cent per annum, is a burden not only on us but on our children and our grandchildren. I suppose that would not bother me too much if that debt was doing something for us; in other words, if we had gone out and borrowed money like a person might borrow money to buy a home for a family, or if we had borrowed money to put in another pipeline, some more rail service or some harbours. If there were some hard things being purchased with that money being borrowed to create prosperity in the future or to create assets that would pay off the debt, much the same as a business would borrow in order to buy production machinery, that would be fine. But we have not done that. What we have done is borrow money to pay the interest.

In that alleged statement of April 21 last by the minister, he suggests to us that the interest requirement for the public debt of Canada for this current year is $10.75 billion. He wants to borrow $11.7 billion and he asks for borrowing authority to borrow $12 billion. Why he needs the extra I do not know. He says he is just borrowing to pay the bills. The truth of the matter, sir, is that he is borrowing most of the money to pay the interest. When do we get to the point where we cannot borrow enough money to even pay the interest? This is very much like a family that borrows from the bank to pay their Chargex bill and uses the Chargex or Visa card to go to the grocery store. You have to pay certain things as you go along. Surely the ordinary expenses of a country should be paid from taxes collected.

● (1740)

When the government comes to Parliament and says, "Look, give me $12 billion", surely to goodness they should say, "Here is why we need it, here is where it is going and here is how it will be paid back". It almost has a free lunch mentality. What bothers me particularly is the kudos which it attempted to get when it made the recent wage settlement with the members of the Post Office Department.

That particular matter was the subject of a *Globe and Mail* editorial this morning. I am certainly not one to read *The Globe and Mail* editorials into *Hansard,* but this editorial does say that it is a costly, free lunch. The editorial goes on to say that it is a precedent that undoubtedly will be pursued throughout the civil service and which will add hundreds of millions of dollars to taxpayers' costs.

Many hon. members will remember a settlement made by a former prime minister, Lester Pearson, when he settled with the Seaway workers in 1966. That settlement increased the wages for that one group of public servants by 30 per cent. That one settlement became the benchmark settlement right throughout the late sixties and into the seventies. What we have here, and I am not saying for one moment that the postal workers were not entitled to more money—maybe they were—is an unbudgeted-for increase in wages far beyond what the projection in the blue book indicates. This increase will require an enormous increase in either taxes or borrowing.

Yet in the budget or the material which we have before us, nowhere does it contemplate what will be required to pay that settlement and various other settlements, which will undoubtedly be required to give certain public servants who, like anyone else, need wage increases to cover inflation, the wages they need. That matter has not been budgeted for nor accounted for in the blue book or in the estimates we have before us.

When asked about this matter today, the President of the Treasury Board more or less shrugged his shoulders and suggested, "Well, that's the way it is". Apparently he was offered a wooden nickel today. The problem is that he seems to want to get $12 billion from this House. Maybe we could use some wooden nickels to pay some of the bills run up by this government. Perhaps this government had better figure out a way to make wooden nickels and to pay its bills with those wooden nickels, because until it gives us an accounting of its spending plans, it should not be coming here for a request to borrow real money.

Prior to the budget of December, this House was presented with a Government of Canada tax expenditure account book that set out all the various tax expenditures that had occurred as a result of legislation up until that time. This tax expenditure conceptual analysis was available to members of Parliament. This is the first report of its kind presented by a government which was concerned about what tax preferences were given to various people in society, how the income and commodity tax system works and what it costs to give certain benefits to certain groups in society.

That report was presented in December, 1979. The government of the day was defeated in that same month, and since that time we have heard absolutely nothing from the Minister of Finance with respect to how he proposes to treat tax expenditures. One of the greatest problems in our country is a tax system which has all sorts of little benefits, and in some cases very major benefits, for certain individuals. We have not had from this government, despite the material available to it, an analysis of whether certain tax expenditures allowed by the various taxing statutes are really doing what they were intended to do.

Once again, having had no accounting, no direction, no proposal with respect to tax expenditures, and considering that even the material analysis and work was done for it, we are entitled to something better than what this government is

offering and something better than just an outright demand for $12 billion.

I would like to come for a moment to the statement made by the President of the Treasury Board when he was presenting the Main Estimates. The President of the Treasury Board said, when he tabled the Main Estimates for 1980-81 which provided for expenditures of $58.4 billion, that those estimates were prepared on the basis of economic policy and assessments of the previous government and that they were not modified to reflect the policies under development by his government. Given the time required for the technical revision of estimates, that is literally an amazing statement. We have the President of the Treasury Board, on behalf of the government, presenting estimates that he says do not reflect the spending plans of the government.

This economic statement was made in the House on April 21. On April 22 the estimates were introduced, but the estimates do not reflect the spending plans of the government. The estimates do not balance with the cash demands suggested as being required by the Minister of Finance of approximately $60.4 billion. We have a situation where this Parliament has no real indication of where this government intends to spend the money, or how it intends to change the tax structure of the country in order to collect that money. All we have today is a bill asking this House to approve further borrowing by the Government of Canada in the amount of $12 billion.

That request would not be that bad if we had figures, but we do not, so we begin to wonder why it needs all that money. In the spending estimates and proposals made by the former government, it indicated for the year 1980-81 that it would have a financial requirement, excluding foreign exchange transactions, of $8.2 billion. This government says that it may require $11.7 billion. But when one analyses the statement further, one cannot figure out what the non-budgetary transactions are because the government does not give a budget, merely an addendum.

On the addendum, it says that the non-budgetary transactions will save the government $600 million. However, the statement in December produced by the former minister of finance, and on which the present estimates are based, indicated non-budgetary savings of $1.1 billion. Again we have no idea, either in the budgetary amounts or in the borrowing requirement amounts, of where we are going.

The former government, on the basis of the Crosbie budget and on the basis of its financial requirements as indicated in the estimates, said that it could operate this country for the full fiscal year on a borrowing requirement of $8.2 billion. This minister says that he will need $11.730 billion, but he does not tell us how, where or what his spending plans are. He simply says, "Give me more money". That is not being responsible. This House would not be very responsible if it were to vote for that kind of proposition.

● (1750)

The budget statement—or whatever you want to call it—that was produced on April 21 by the Minister of Finance refers to an oil policy. Buried in his speech is the following statement:

> The blended approach to oil pricing, which it is the government's intention to introduce, will allow a reduction in federal oil import compensation payments from the level assumed in deriving the $60.4 billion estimate of total outlays.

That is most interesting. Later in his speech he said:

> Implementing blended oil pricing could alone reduce both expenditures and financial requirements by as much as $1 billion.

That is interesting as well. Day after day in this House we have asked, "Where is the blender? How do you blend the price?" But we get no answers. We ask, "What is your oil pricing policy?" We get no answers. We ask, "Are you going to put a tax on oil at the wellhead, at the refinery, at the refinery gate or wherever?" We get no answer. We ask, "How do you blend the price? Do you go to Mexico and pay them $5 or $6 American more than any other country in the world and blend it that way? Do you blend the price by telling Canadians who want to drill for oil in Alberta that they will get less than the Mexicans? Do you tell the Syncrude-type operators that you will give them less than the Mexicans? Do you tell the people drilling off the coast of Labrador that they will get less than the Mexicans? Is that how you blend it?" We do not know the answers but we are told, "You can get a blender and it will give you a billion dollars."

This is all the more reason why we must have a budget before this bill is passed. We want to know where we are going. Why does this country really need to give this government authority to borrow without any facts or figures on why the government need the money? The estimates do not balance; the financial statement of April does not balance; we have the blender here and it does not balance. We do not even know how it is put together. Is that supposed to be reponsible government? Is that how parliament is asked to be responsible in dealing with this irresponsible government?

It would not be so bad if we were borrowing money for capital projects, if we were borrowing money to make Canada self-sufficient in petroleum or if we were borrowing money to build new harbours, seaways and that type of thing. But we have no indication what this borrowing is for. There is no indication of the reason for the borrowing. This is no way to run a government.

An hon. member brought up the question of unemployment and I want to dwell on that for a moment. The bill before us is the same old bill that we had before—the employment tax credit bill. It does nothing to improve employment; it is more of a handout, in some senses, to some employers. There is no evidence before the minister, even, that he has created new jobs with the bill. It does not help companies unless they make a profit. Indeed, our analysis shows that a company has to make in excess of $35,000 profit before it is worth employing anybody under the employment tax credit bill. That is the government's total strategy for employment. It is one of these tax allowance bills, tax expenditure bills, yet we have no analysis from the government on how this type of bill works. We have no statement in a budget to show where we are going.

This is the only employment bill before the House so we want to know where we are going before we let the government put the country, our children and our children's children further into debt.

Dealing for a moment with the way borrowing in this country operates, in his opening statement the Minister of Finance said that he had on April 1 $2.9 billion borrowing authority left. That borrowing authority is increased every time the existing debt is paid off. In other words, once you have a debt of the country you can continue to borrow up to that debt all the time. You can always borrow money to pay off existing indebtedness.

We know from reading the newspapers that there have been enormous redemptions of Canada Savings Bonds. All of the money required to pay back those Canada Savings Bonds can be borrowed again without any increase in borrowing authority. I am sure the hon. member for St. John's West expected to hear from the minister, as I did, the exact amount of borrowing authority left as of last evening —perhaps as of May 1 or May 15—but that figure apparently is not available to us.

What shocks me is the Minister of Finance coming to this House and saying that he needs the authority to borrow $12 billion when he does not know how much authority to borrow he still has. He dashed in here last night and he dashed right out again. He cannot tell us what he has still available in the way of borrowing authority. There has not been a Liberal speaker come forward to give us any indication. The Minister of State for Finance (Mr. Bussières) was here this afternoon, as was the Parliamentary Secretary to the Minister of Finance (Mr. Evans). I have put this question now and the member for St. John's West has already asked for it. I would have thought that in the course of the debate the government would have been able to give us some figures on the borrowing authority they still have, but we still have not heard from them.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired. Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Blenkarn: I will be very, very brief.

The Acting Speaker (Mr. Ethier): I am sorry; is there unanimous consent?

Some hon. Members: Agreed.

Mr. Blenkarn: I will be very brief. There is a feeling on this side of the House that the government has to do something. It has to produce a financial and economic statement before it gets approval to borrow money that is presumably required to handle all its needs until the end of the fiscal year. If it is really impossible for the government at this point to operate, we suggest that it has an obligation to advise exactly what borrowing authority it needs. We will then undertake with them, so that they will not run into the problem of being unable to pay pensions and so on, to pass temporary borrowing measures piece by piece to enable them to keep the country operating. However, we cannot see the point of allowing them the right to borrow what purports to be the amount of money—it might not be the right amount of money—they are going to need for the entire fiscal year to the end of March without some accurate accounting from them. If the government wants to get this bill through, if they want to undertake with us exactly when they can give us the financial accounting, then perhaps we can come to some agreement with respect to the amount required in the bill.

Mr. Knowles: Six o'clock.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock p.m. this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

Mr. Yurko: Mr. Speaker, a point of order.

The Acting Speaker (Mr. Ethier): Order, please. I think the Chair recognized that it was six o'clock. I do not think there was one minute to go. It was six o'clock. I will entertain a point of order but not concerning the time.

• (1800)

Mr. Yurko: Mr. Speaker, I thought there was sufficient time for a member of this House to adjourn the debate on this bill so that the order of speaking would therefore be established. However, because you have indicated that it is six o'clock, I will withdraw my point of order.

Mr. Knowles: Six o'clock.

The Acting Speaker (Mr. Ethier): It being six o'clock, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 29, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

VACANCY

Madam Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, the Hon. Lincoln M. Alexander, PC, member of the electoral district of Hamilton West, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

* * *

THE CONSTITUTION

FIRST MINISTERS' CONFERENCE—REPRESENTATIVES OF GOVERNMENTS OF YUKON AND NORTHWEST TERRITORIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Minister of Justice, on his recent tour to arrange for a constitutional meeting of first ministers, failed to visit either Yukon or the Northwest Territories, and whereas the Canadians living north of the sixtieth parallel demand to participate, as witnessed by the telegram of May 28, 1980, sent to the Prime Minister over the signatures of the hon. Chris Pearson and hon. James Wah-Shee of their respective territories, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the duly elected representatives of the governments of Yukon and the Northwest Territories be included, with full status, in any first ministers' conference called to discuss the Canadian constitution.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FIRST MINISTERS' CONFERENCE—REPRESENTATIVES OF INDIAN AND INUIT PEOPLE—MOTION UNDER S.O. 43

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, in view of the constitutional conference to be held on June 9, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Prime Minister declare his intentions as to whether he is going to invite the Indian and Inuit people of Canada to participate in the process of reform in areas directly affecting them.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN PACIFIC RAILWAY

COMMITTEE INVESTIGATION OF EXECUTIVES' SALARIES—MOTION UNDER S.O. 43

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

In view of the fact that the CPR increased the annual salary of its chairman by 70 per cent to over half a million dollars per year, while in the same year chiselling on retired CPR employee pensions and cancelling pass privileges of retired CP hotel employees, including one gentleman with 50 years' service with CP who had his gold pass revoked, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House require CP chairman Ian Sinclair, head of Canada's largest welfare recipient, CP Ltd., to appear before the House of Commons transport committee to justify these kinds of increases for CP executives, in the face of their inequitable treatment of retired employees.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

GRAIN

WHEAT—CALL FOR INCREASE IN PRICE OF DOMESTIC WHEAT FOR HUMAN CONSUMPTION

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In spite of the rhetoric and the endless pledges and promises of the Liberal government to heed and to act swiftly upon the needs and aspirations of western farmers and producers who have lost more than $25 million since this Liberal government was elected, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government immediately carry out the policy of the previous administration to make retroactive to February 1, 1980, the increase in the upper limit for the price of domestic wheat for human consumption.

Madam Speaker: Such a presentation can be made only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COAST GUARD

UPGRADING OF EQUIPMENT AND FACILITIES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of life-saving importance.

In view of the ever-increasing number of deaths resulting from marine accidents on Canada's Pacific coast, and in the light of testimony given yesterday in Vancouver before the Dubin royal commission, to the effect that there are no float-equipped rescue aircraft operating on the west coast, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House direct the government to implement immediately the $300 million program to upgrade Canada's Coast Guard, a program to which the former Progressive Conservative government was committed; and I move, further, that as part of this program sufficient float-equipped rescue aircraft be provided in British Columbia to prevent further loss of life.

● (1410)

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

PUBLIC SERVICE

REQUEST THAT LACK OF REPRESENTATION OF FRANCOPHONES AND WOMEN BE REMEDIED—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Each year the report of the Public Service Commission points out the under-representation of women and French-speaking people in the higher echelons of the federal administration, and since more than 30 per cent of administration graduates in Canada come from French language universities, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the Public Service Commission take immediate steps to put an end to the under-representation of French-speaking people and women.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

THE CANADIAN ECONOMY

DISCUSSIONS WITH LABOUR LEADERS TO IMPROVE PRODUCTIVITY—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43. As Canada was the only country among the seven major free world nations to have a decline in productivity last year from 1978 levels, according to a recent U.S. government report, and all of the others—including Italy, Japan, France, Germany, Great Britain and the United States—had an increase in productivity, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the government commence discussions with this country's labour leaders in an effort to resolve this disgraceful situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

THE CONSTITUTION

FIRST MINISTERS' CONFERENCE—REPRESENTATIVES OF ABORIGINAL PEOPLES—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas the total number of Indians, Inuit and Metis in Canada is more than 1 million persons—more than the population of several of the provinces—and whereas these aboriginal peoples of Canada were never consulted with respect to the present Constitution, or agreed to its terms, nor with respect to the many federal and provincial laws which have critically affected their lives, lands and communities, and whereas the aboriginal peoples of Canada never voluntarily relinquished their political sovereignty over many areas of Canadian territory, I move, seconded by the hon. member for Eglinton-Lawrence (Mr. de Corneille):

That in the interest of moral justice, the Indian, Inuit and Metis people, through their national associations, be invited to attend as full participants the constitutional conference scheduled for June 9, 1980.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FREEDOM OF SPEECH

CALL FOR INVESTIGATION INTO CRTC THREAT TO CITE PERSON FOR CONTEMPT OF COURT—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I, too, rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Canadians were shocked last week when the CRTC, a federal regulatory agency, threatened to cite an individual for contempt of court because it did not approve of comments made in an intervention before the commission. In view of the serious threat to freedom of speech, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House, being disturbed by recent actions of the CRTC which threaten the freedom of speech of individuals before the commission, calls upon the Minister of Justice to make a full investigation of this incident and report to the House on what measures he feels are necessary to ensure that federal regulatory agencies do not place themselves beyond public criticism.

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

COMMUNICATIONS

ROLE OF CABLE TV—PARLIAMENTARY TASK FORCE STUDY—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Canada's major cable TV operator, Mr. Ted Rogers, in a submission before the CRTC in Vancouver, proposed to "redefine the role of cable TV as a communications medium and to offer a broad range of non-broadcast interactive services"—in short, to become another common carrier—and since both the Telecommunications Carriers Association and the Telecommunications Workers Union have expressed concern that cable's intention to duplicate existing and future natural carrier functions will, among other considerations, require a vast outlay of funds for hardware to be shouldered by the consuming public, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House accept the recommendation of both the Telecommunications Carriers Association and the Telecommunications Workers Union to establish immediately a parliamentary task force to study the economic impact of these new services contemplated by the cable industry's apparent interest in becoming a common carrier.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN HOME INSULATION PROGRAM

SUBSIDIZATION OF INSULATION FOR PRE-1976 HOMES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I, too, rise on a matter of urgent and pressing necessity under Standing Order 43. In the Speech from the Throne, the government promised to bring in an extended home insulation program. The heating season is now over, and now is an ideal time for people to work on insulating their homes so that they will be ready for next winter. I therefore move, seconded by the hon. member for Crowfoot (Mr. Malone):

That this House does hereby direct the government to forthwith introduce rules and regulations for a new Canadian Home Insulation Program to subsidize home insulation for all homes built prior to 1976, particularly homes where it is impossible for the home owner who is forced to use home heating oil and where it is impossible or next to impossible for that home owner to convert to an alternate source of energy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. JACQUES COUSTEAU

Madam Speaker: I have the honour of drawing the attention of the House to the presence this afternoon in our gallery of Mr. Jacques Cousteau, famous underwater explorer who has given us many great documentaries on marine life.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

MEETING SCHEDULED FOR JUNE 9—INVITATIONS TO ATTEND—AGENDA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Prime Minister relating to the constitutional meeting scheduled for June 9.

Can the Prime Minister tell the House of Commons whether a formal invitation will be issued to the Executive Council of the Yukon and the Executive Committee of the Northwest Territories to attend the June 9 constitutional meeting and to participate in those talks which might follow that meeting?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the meeting of June 9 as discussed between the premiers and myself is for the premiers and the Prime Minister of Canada only. However, the Leader of the Opposition will recall that at the last constitutional conference that was convened in February, 1979, we put that item on the agenda and consulted the provinces on the possibility and the desirability, from our point of view, of involving native peoples on the one hand and making sure that their representations were made.

In so far as the Yukon and the Territories are concerned, we have always followed the practice of ensuring their presence either as observers or, in some cases, as members of the federal delegation.

Mr. Clark: Madam Speaker, the Prime Minister will know that there is widespread dissatisfaction in the north at the prospect of being either excluded from a conference of heads of government or being represented there by, in effect, federal bureaucrats. The Prime Minister indicated that it is the intention of his government to urge the participation of the territories' representatives in the process, if I correctly understood him.

May I ask the Prime Minister whether it is his intention to request of the provinces that an invitation to subsequent meetings be extended to elected representatives of the people of the Yukon and the Northwest Territories, elected members of their respective councils?

Mr. Trudeau: No, Madam Speaker. I do not want there to be any misunderstanding on this. In the past, I have encouraged the Yukon and the Northwest Territories to be present either as special observers or as members of the federal delegation. I do not intend to urge the provinces to change the practice.

● (1420)

At the meetings which have been held thus far under my government and all previous governments, the practice has been that federal-provincial conferences are attended by first ministers of the provinces and of the federal government, not by representatives of the Territories.

Mr. Clark: The other day, in the House, the Prime Minister declined to indicate the agenda the federal government would be setting forth for the June 9 meeting because he had not received a reply from the government of Quebec.

Now that he has received a reply, would the Prime Minister tell us what agenda the government proposes for the meeting on June 9, and whether it will include a discussion of the means by which citizens of the Yukon and the Northwest Territories will be represented by people they elected, at subsequent constitutional meetings?

Mr. Trudeau: Madam Speaker, no formal agenda has been agreed to by the provinces and the federal government; nor, I believe, was it the intention to have a specific and formal agenda. The meeting is an informal one on constitutional matters generally. We, for our part, have indicated, in correspondence which I will be pleased to table later today, that we hope at these meetings to agree on at least two things: the basic principles which must underlie our federation and, second, the method by which progress could be made in updating and modernizing the Constitution.

As to the second part of the question, that subject is not specifically on the agenda. Of course, if the matter arises on provincial initiative, or if I see fit to discuss it, I will, but I want to tell the prime minister—

Some hon. Members: Oh, oh!

An hon. Member: See how easy it is?

Mr. Trudeau: Well, lest the opposition should think I am forecasting the shape of things to come, I want to say that sometimes I speak to myself.

Some hon. Members: Oh!

Hon. Jake Epp (Provencher): A supplementary to the Prime Minister regarding the June 9 meeting. In view of the great interest in the constitutional discussion across the country, has he made a firm decision as to whether those meetings shall be held in public or in camera?

Mr. Trudeau: It was the generally expressed desire that the meeting of first ministers be private, but I believe it has already been indicated by one first minister that he intends to report everything that takes place. I, for my part, think I will wait until we have the meeting to see what rules of the game the first ministers wish to establish at that point.

Mr. Epp: Is it the right hon. gentleman's intention, at the meetings on June 9, to explore with the premiers the possibility of establishing a regular schedule of constitutional meetings with participation not only by the federal government and the provincial governments, but also exploring the possibility of future meetings on a regular basis to include Canadians in a broader pattern than is represented at a federal-provincial conference?

Mr. Trudeau: I feel that is a very constructive suggestion and I am quite certain the discussions will take that suggestion into account. When I say we shall be looking at the process for improving our basic constitution, that should be one of the methods we would look at. But I cannot at this time say what conclusions will be reached at the meeting of first ministers.

Mr. Edward Broadbent (Oshawa): Madam Speaker, in the letters the Prime Minister is tabling at three o'clock, one common letter to the premiers of the predominantly English-speaking provinces and the other to the premier of the province of Quebec, there is a language difference: I do not want to suggest there is any difference in ideas; I just want clarification in light of what the Prime Minister has just said to the House.

• (1425)

In the letter to the premier of the province of Quebec, the Prime Minister indicates that the subject would be to reach agreement "both on the principles and on the process of constitutional change", whereas in the letter to the other premiers, the Prime Minister simply says that the purpose of the meeting is "to lay our future plans".

Does the Prime Minister really make any distinction between those two letters and, more specifically, is it clearly his intention not to attempt to reach an agreement on any matters of substance at the June 9 meeting?

[*Translation*]

Mr. Trudeau: Madam Speaker, I want to assure the leader of the New Democratic Party that both letters convey the same meaning and there was no intention, in the translation, of changing the emphasis of one aspect or another of the letter.

As for the second part of the question, I would ask the hon. member to repeat it.

[*English*]

Mr. Broadbent: Madam Speaker, I will include that second part in my second question. I asked the Prime Minister to indicate clearly, or reaffirm that it was not his intention to reach an agreement at the June 9 meeting, since it is private and since it is restricted to the first ministers, on any matter of substance in terms of constitutional change.

My second question, if the Prime Minister will deal with it at the same time, is this: last week he indicated an agreement in principle to the idea of including, as part of the federal delegation, leaders of opposition parties as well as, perhaps, other members of opposition parties in an attempt to get a broad, consensus approach to this serious question of constitutional change. Does he still stand by that, and is he urging his colleagues at the provincial level to establish the same principle?

Mr. Trudeau: Madam Speaker, if hon. leaders of the opposition parties are willing and available, it would be my intention to meet with them next week, at their convenience, to have a discussion among ourselves to see in what direction they would hope the federal government or myself would be leading the conversations at the meeting on the ninth.

I would not expect to extract any form of binding agreement but I would be interested in knowing if, among ourselves, the parties represented in this House of Commons, there is some basic agreement on the general principles underlying our federalism and, indeed, the ways in which they think progress could be made in a rapid way in renewing our federalism. I am convinced that I will be enlightened by such meetings and I hope I would be able to guide my own participation on the ninth on those discussions.

In so far as the end of the previous question regarding substance is concerned, Madam Speaker, we hope that basic principles of federalism will be discussed and to that degree there will, of course, be discussions of substance. I would not expect, even in my wildest dreams, that there would be agreement on some form of words to be put in which ultimately would be an amendment to our present Constitution. If that should happen, and if 11 of us should reach agreement at that meeting on part or the whole of a new Constitution, I would grab it and run.

Mr. Broadbent: Madam Speaker, I have a final, two-part question on this important subject matter. I think the Prime Minister misunderstood the second part of my last question. I asked, does the Prime Minister agree in principle that as part of the delegation which he would lead to such a first ministers' conference on June 9, and it would not therefore be a first ministers' conference exclusively, the Canadian government delegation would include the Leader of the Opposition, myself and possibly other members of opposition parties? I would like him to answer that question.

The second part to the question, to go back to the question of representation by the Yukon and the Northwest Territories and native peoples' groups, would he agree that at subsequent meetings which take place concerning constitutional change there should be an expanded delegation coming from the federal government and the provinces, native peoples, representatives of the Northwest Territories and the Yukon who ought to have an opportunity publicly to make submissions to such meetings.

● (1430)

Mr. Trudeau: In answer to the first part of the question, Madam Speaker, I believe I already gave the answer a couple of weeks ago, but I will certainly repeat it: that if a measure of agreement can emerge among ourselves as to how best we can renew federalism, and do that with considerable speed, I would be most happy.

I can say in advance that, if such is the case, of course I would be happy to include members of the opposition and, certainly, leaders of the opposition parties in the federal delegation. But, of course, I cannot prejudge that until we have had some discussions.

With regard to the second part of the question, my answer is that just a few weeks ago I met the native chiefs and elders and their political leaders in Ottawa. I gave them an assurance that any constitutional discussions which would involve subjects close to their concerns—such as aboriginal rights, local government, and so on—would be subjects on which they would be consulted, without any decision being made before we had such consultations.

I fail to see at this moment that until we in the House, and perhaps we in the House with the Indians, natives and Inuit and we in the House with the people of the Yukon and the Northwest Territories, have reached some measure of agreement, it would be productive to have federal-provincial conferences at which everyone airs their point of view but no progress is made. I think the House is seized of the importance of making progress quickly on this matter, otherwise we would be justifiably accused of not keeping our promise to renew federalism with as much haste as possible, and I want to create conditions where we can make progress.

Some hon. Members: Hear, hear!

* * *

AIR SAFETY

INSTALLATION OF MANDATORY FREQUENCIES AT AIRPORTS—GOVERNMENT POLICY

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport and it has to do with the important matter of air safety which continues to dominate a considerable amount of public attention.

Can the minister advise the House whether he has reviewed the policy of installation of mandatory frequencies at airports, since the Canadian Air Traffic Controllers' Association has voiced very strong objections to this installation inasmuch as it would constitute, in their view, a degradation of safety?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have not yet done so.

Mr. Mazankowski: Would the minister undertake to consult with CATCA before further installation, and would he not consider referring this matter to the Dubin inquiry?

With regard to a related question which arises out of the mid-air collision which took place in the Windsor area in July, 1979, and the subsequent investigation which was carried out which revealed there was inadequate co-ordination between the control towers of Windsor and Detroit, can the minister tell the House what action has been taken to rectify that dangerous situation?

Mr. Pepin: Madam Speaker, I remember reading a memo explaining what went on, but I do not know what action has been taken since. But I will inquire as soon as I can.

Some hon. Members: Oh, oh!

Mr. Trudeau: Why don't you give notice of your questions?

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CANADIAN WHEAT BOARD

GRAIN—INVESTIGATION INTO UPGRADING—VALUE RECEIVED BY WESTERN FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to put a question to the minister responsible for the Canadian Wheat Board. Could he inform the House and the farmers of western Canada whether he has investigated the problem of grade promotion, uppages or upgrading—they all mean the same thing—and if he has done so, could he tell us whether he has assured himself that the farmers in western Canada are receiving full value for their grain?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously this is a question for the minister in charge of the Wheat Board and, as everybody knows, I am not in daily contact with the industry. I will inquire from the responsible member of the cabinet and I will report accordingly.

Mr. McKnight: Madam Speaker, would the minister, then, table a report to the House as he investigates this problem on the rationale behind grade promotion, uppages or upgrading, which right now is costing the Canadian farmer and the Canadian Wheat Board millions of dollars every crop year?

Mr. Pepin: Madam Speaker, I will have a conversation with the minister responsible and report accordingly.

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SHIPPING

SUBSIDY FOR DIRECT WATER SHIPMENT TO NEWFOUNDLAND

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question, as well, is for the Minister of Transport. With regard to the government's contractual obligations to NSL, has the minister as yet determined a policy or formula for establishing an equitable subsidy for direct water shipment to Newfoundland?

Hon. Jean-Luc Pepin (Minister of Transport): This is obviously my day for very specific questions, Madam Speaker. I will inquire on that one: I am not aware of it.

Some hon. Members: Oh, oh!

Mr. Forrestall: Madam Speaker, I am tempted to ask the minister when he is going to provide some bridge pier-fendering for the protection of lives and to save money, but I will ask a supplementary question.

When can we expect a resolution of this question, which is of crucial concern not only to the Clark interests and other direct water carriers but, more important, to shippers and users of those goods and services in that island province?

Mr. Pepin: Madam Speaker, I know that I am supposed to know everything. Unfortunately, I can not live up to these expectations.

Some hon. Members: Oh, oh!

Mr. Pepin: I would like to say that if my hon. friends would like to give me notice of their questions, I could provide better answers.

Some hon. Members: Oh, oh!

An hon. Member: Poor Jean-Luc.

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EXTERNAL AFFAIRS

UNITED STATES INACTION TO RATIFY EAST COAST FISHERIES' TREATY

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Secretary of State for External Affairs. Since the U.S. Senate is unlikely to ratify the Canada-U.S. east coast fishery treaty, and since U.S. fishermen are expanding their scallop fleet and increasing the scallop catch in the disputed territory—in direct defiance of the Canada-U.S. treaty signed over a year ago by Canada—will the Secretary of State for External Affairs, rather than simply expressing displeasure with the U.S. position, tell the House what plans he has now, or what attempts have been made either to place real pressure on the U.S. government to finalize this treaty or to protect Canadian fishermen from current U.S. inaction?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we are in the process of formulating a policy for dealing with this serious problem. I am having a discussion with an opposition spokesman immediately after the question period today, and of course the Minister of Fisheries and Oceans and I are most preoccupied with this issue.

Mr. Miller: Either the government is really not aware of the seriousness of the situation, or they are unable to indicate their displeasure strongly enough to the U.S. government to ensure some action in that direction.

I should like to ask the minister why he does not have, at this time, a plan of action and a timetable which he can place before the U.S. government at which time he would expect some action; or can he recommend what kind of action the Canadian fishermen can take right now to protect their fishery and their income?

Some hon. Members: Hear, hear!

Mr. MacGuigan: Madam Speaker, I do not know whether or not I need to give the hon. member an elementary lecture on the U.S. government. Our problem is not with the U.S. government: we have made our point very strongly to them. Their problem is that they cannot control the U.S. Senate on this issue. We have to formulate a strategy which would take account of the U.S. Senate as well as of the U.S. government.

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CANADIAN WHEAT BOARD

ACTION TO ENSURE SUFFICIENT QUANTITIES OF GRAIN IN ELEVATOR SYSTEM

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is for the minister in charge of the Canadian Wheat Board, and I trust that he will be able to answer it because it is important to the western producer.

Due to the action taken by the hon. member for Vegreville in getting grain moving when he was minister of transport, we now find that the elevator system within the Canadian Wheat Board area is operating at 47 per cent below capacity, and with one million tonnes less grain in the system than at this time last year. This is affecting terminal operating efficiency.

My question to the minister is: what action is the minister going to take to ensure that sufficient quantities of grain are in the country elevator system to ensure adequate supplies at the terminals? As of last week, it has been reported that CN could have moved 3,500 cars and only 2,400 were loaded.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was in Winnipeg yesterday, meeting with the grain transportation authority. I was provided with a factual report on what was happening, and I found that the situation is not at all what it was described as this morning. The increase this year is at the 15 per cent to 16 per cent level in exports, which is slightly less than anticipated by my predecessor, but which is considered in western Canada to be a very good performance indeed.

Some hon. Members: Answer the question.

Mr. Towers: Madam Speaker, the minister misinterpreted the question entirely and he did not answer it.

Mr. Clark: He read the only answer he had.

Mr. Towers: With a differential of up to 70 cents per bushel between the off-board and board feed barley, and with producers not being able to realize a higher price because of lack

of quota, could the minister state what action he intends to take before the end of the crop year? Will he increase the initial price paid to producers, as well as raise the quotas? The minister must be held responsible for this—

• (1440)

Some hon. Members: Order.

Madam Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, the initial prices this year were established at a level which was substantially higher than the initial prices last year. The minister responsible for the Wheat Board reported, at the time he made the announcement on the initial prices, that he would review them at the beginning of the coming crop year. That is the situation as it stands now.

An hon. Member: Unbelievable.

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ADMINISTRATION OF JUSTICE

ABORTIONS—INQUIRY WHETHER LEGAL ACTION WILL BE TAKEN AGAINST DR. MORGENTALER

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, in the absence of the Minister of Justice, I should like to direct my question to the Parliamentary Secretary to the Minister of Justice.

In view of the fact that Dr. Henry Morgentaler performed 12 to 15 illegal abortions a week in his Champlain clinic in east end Montreal—

An hon. Member: Is that all?

Mr. Flis: Someone from the NDP says, "Is that all?" It seems to me that 12 to 15 a week is too many. He, and he alone, decided who will and, occasionally, will not have an abortion. What appropriate steps is the hon. minister prepared to take to bring Dr. Morgentaler within the full reach of the law?

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, as the hon. member knows, the law provides for abortion committees. These committees should be in effect in hospitals and clinics.

An hon. Member: Tell us what you believe.

Mr. Robinson (Etobicoke-Lakeshore): If Dr. Morgentaler is not following the law, then this is a matter for the Quebec police or the local police to take action on. I would only say, from the federal point of view, that at the present time we are implementing the recommendations made in the Bagley report which was tabled in 1977.

AIRPORTS

IMPROVEMENT OF FACILITIES IN METROPOLITAN TORONTO AREA

Mr. Otto Jelinek (Halton): Madam Speaker, I have a question for the Minister of Transport. There are a number of outstanding and long overdue matters to be dealt with in the metropolitan Toronto area, such as additional runway capacity at Toronto international airport, the construction of a third terminal, the disposal of lands at Pickering, the decision on STOL at Island airport, the Buttonville satellite airport, the moratorium of additional landing rights, the broken promises on urban transit, the SOMPS report, and the Toronto Harbours Commission debt, just to name a few.

An hon. Member: Question.

Mr. Baker (Nepean-Carleton): That is just a beginning.

Mr. Jelinek: Could the minister tell this House what action he intends to take on these matters, especially considering the fact that in the previous government we had a plan of action which would have dealt with all these matters expeditiously? What action will he take?

Some hon. Members: Oh, oh!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend was speaking too fast for me to make notes on every question he raised. But if I were to act now on a number of them, what I would do would be illegal. The STOL question obviously is before the CTC. That is one I cannot rule on, obviously, because it would be illegal if I did that. On the Toronto Harbours, this question is coming before cabinet committee next week.

Mr. Stevens: What about Pickering?

Mr. Pepin: I am attending to all of them as time permits and also as time permits my colleagues to become acquainted with them.

Mr. Jelinek: Madam Speaker, I knew that federal transport problems were in limbo since the minister's takeover, but now I see the minister himself is also in limbo.

Some hon. Members: Hear, hear!

Mr. Jelinek: In order to simplify matters for the minister—he did not answer it quite correctly—my supplementary question is, could he now assure this House that he will put into action forthwith the programs which were initiated by his predecessor; and, if not, why is he wasting time? He has been in office and has had an opportunity to grasp the situation in transport. Why has he not taken action which is long overdue to deal with these problems?

Mr. Pepin: Madam Speaker, I am really doing a number of things. I could recite them here.

An hon. Member: Go ahead.

Mr. Pepin: In some cases there is no funding available. There were promises made during the electoral campaign. My hon. friend, who is a very distinguished gentleman, is also a very generous one, so he went around and made promises during the months of December and January the like of which has hardly ever been seen in this country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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NATIONAL ENERGY BOARD

VENUE OF HEARINGS ON PROPOSAL TO INCREASE OIL TANKER TRAFFIC ON B.C. COAST

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the presence of our distinguished visitor, Mr. Jacques Cousteau—who has been so concerned with the health of world oceans—I believe that my question is especially relevant today.

The National Energy Board has received notice from Trans Mountain Pipe Line Co. Ltd. that they intend to proceed with a rehearing this fall on their proposal to build an oil port in Washington state and to increase oil tanker traffic on the British Columbia coast. As the hearings are presently set for the fall of 1980, and as the last NEB hearings were held in Vancouver, will the minister undertake to hold these future hearings in Victoria, which is the area most directly affected by the proposal for increased tanker traffic?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I want to tell the hon. member that the government shares his concern over any increase in tanker traffic on the British Columbia coast. As my hon. colleague knows, the National Energy Board decides on its own where it will hold its hearings—it is an independent agency—but I want to assure him that I will convey his suggestion to the board. If it is possible, I think the NEB will consider his suggestion favourably. But again, I do not have the authority to force the board to hold its hearings in any location whatsoever.

[*English*]

INQUIRY WHETHER ENVIRONMENTAL IMPACT STUDIES WILL BE PRESENTED TO HEARINGS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I thank the minister for his answer. My supplementary question is for the Minister of the Environment.

In view of the fact that the rehearing is being scheduled to hear environmental impact concerns, and that in the final report of the west coast oil ports inquiry the commissioner, Mr. Andrew Thompson, called on the federal government, in the event of future proposals involving Port Angeles, to set up a public inquiry to study navigational safety and the impact of oil spills as they affect Canada, will the minister undertake environmental impact studies to be presented on behalf of the Canadian people at the hearings this fall?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I will give careful consideration to the representations of the hon. member.

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AGRICULTURE

GRAIN—REQUEST PRICE BE INCREASED FOR GRAIN CONSUMED DOMESTICALLY

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the minister responsible for the Wheat Board in this House. Members on this side of the House feel that the minister should keep himself informed.

Given the fact that farmers are subsidizing the cost of domestic grain consumed in Canada by $1 million a week, will the minister take the same steps taken by the former Progressive Conservative government and increase the price as of February 1, 1980, to bring some immediate relief to farmers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is a wrong basis for asking these questions. I am not the minister responsible for the Wheat Board.

Some hon. Members: Yes, you are.

Mr. Pepin: I answer in this House for the minister who is responsible for the Wheat Board.

Mr. Hnatyshyn: No.

Mr. Clark: Read the order in council.

Mr. Pepin: Anyway, be that as it may, I will consult with the minister responsible for the Wheat Board and bring an answer to my hon. friend.

Mr. Gustafson: Would the minister also find out for us how the farmers are to recover the $25 million they have lost?

Mr. Pepin: I will look into it, Madam Speaker.

* * *

ENERGY

NATURAL GAS—INCENTIVE PRICING ARRANGEMENT FOR GAS DESTINED FOR NEW EASTERN CANADIAN MARKETS

Mr. Maurice Foster (Algoma): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources concerning the continuing negotiations, which have been going on for the past year, into an incentive pricing arrangement for natural gas going into new markets in eastern Canada.

● (1450)

In view of the concern of many communities and industries that this gas price incentive be put in place, could the minister say when this agreement will be reached with the producing and consuming provinces; or is it awaiting the agreement which is yet to be reached on oil prices?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the question of incentive pricing for gas is part of the general discussions on energy prices which I am having at the present time with the producing provinces. I hope those discussions will be concluded favourably very shortly, and that the question of incentive pricing for gas will be concluded at the same time.

* * *

TRANSPORT

MECHANICAL DEFECTS IN AUTOMOBILES—ACTION TO PROTECT CANADIANS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the minister responsible for transport. It is a very important question because it deals with a matter of possible life or death for many Canadians.

In view of the fact that there have been thousands of sudden brake failures reported in the United States and Canada during the past 12 months, involving Volkswagen Rabbits, Sciroccos, Audi Foxes and Dashers, and since the mechanical defect of both the master cylinder and the back-up braking system appears to be the cause of this dangerous situation, will the minister inform this House what action his department has taken to protect Canadians from possible serious injury due to sudden brake failures in Volkswagen cars?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, first I will check to determine if there have been such complaints lodged. My department does not have the authority to recall. We investigate these situations and it is up to the companies to make the recalls. I will look into this very specific case and determine whether or not the company itself is in the process of recalling.

Mr. Siddon: Madam Speaker, in spite of the disclaimer by the Minister of Transport, it is a fact that officials of his own department have been investigating the safety-related defect since May, 1979, as has the U.S. national transportation safety administration.

In view of the fact that Volkswagen Canada, Inc., has failed to accept responsibility for repairing or replacing the defective braking systems, despite great risk to human life, will the Minister of Transport, in concert with his colleague, the Minister of Consumer and Corporate Affairs, take action through this Parliament if necessary to force an immediate recall of all Volkswagen cars sold in Canada since 1975, so that this very dangerous mechanical defect can be repaired at no cost to Volkswagen owners?

Mr. Pepin: Madam Speaker, I just said that we could not force the companies to make recalls. I will consult with the company and try to exercise the normal diplomatic pressures so that this measure will be contemplated.

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RAILWAYS

GOVERNMENT EXPENDITURES TO IMPROVE GRADE LINES—CALLING OF PUBLIC TENDERS

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is also directed to the Minister of Transport. Will the minister advise this House whether he is prepared to accept the Progressive Conservative government's initiative that in cases where government money is being spent to upgrade rail lines or rehabilitate grade lines, public tenders will be called for such work as bank widening, ballast and any work that can reasonably be carried out by independent contractors?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will look into present practices and act on the matter.

Mr. Neil: Madam Speaker, can the minister advise the House whether he is prepared to follow through on the previous PC government's initiative to set up an advisory committee made up of representatives of various grain companies, railways and the office of the grain co-ordinator, which would be charged with the responsibility of recommending the priority of upgrading or rehabilitating branch lines comprising the prairie line network?

Mr. Pepin: Madam Speaker, my answer is the same as my previous answer.

* * *

HEALTH AND WELFARE

CHILD CARE SERVICES—REQUEST LEGISLATION BE INTRODUCED

Mr. Neil Young (Beaches): Madam Speaker, my question is for the Minister of National Health and Welfare. The Canadian Commission for the International Year of the Child is meeting in Ottawa today. Since one of the commission's major recommendations is for greater participation of the federal government in expanding child care services across Canada, will the minister, in co-operation with the provinces, present a national child care act to this House to ensure a network of good quality child care services, and to help subsidize costs to low income parents?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I see that the hon. member reads the newspapers like everyone else. We have noted that the Canadian Commission for the International Year of the Child

will deliver its report to the Prime Minister and to some ministers in a few minutes. I would like the hon. member to be kind enough to let us receive the report and consider the recommendations. I intend—and I can announce it immediately to the House—to table the report in Parliament tomorrow morning.

[*English*]

Mr. Young: Madam Speaker, since most communities do not have sufficient capital to develop child care centres, and many elementary and pre-school children are left at home without adequate care, will the minister approve shared federal funding up to 75 per cent for start-up funds to renovate and equip new centres such as vacant school rooms, so that affordable day care and out-of-school care can be made available in most neighbourhoods?

[*Translation*]

Miss Bégin: Madam Speaker, the hon. member's question is based on statistics already out of date for 1977 and 1978 but in 1979, probably as the result of the excellent work to promote awareness made by the Canadian Commission for the International Year of the Child, the capacity of nurseries and day-care centres available for children who need them in Canada increased by 9 per cent as compared with the best previous year in 1976, that is, 17 per cent. This increased capacity is essentially due to a unique provision of the Canada Assistance Plan which encourages the expansion of nurseries with capital funds and payment of operating costs. The hon. member knows that the Canada Assistance Plan has that special provision only for nurseries, as far as I am aware, but we cannot do anything if a province does not take any action. In his case, I am sure that he will speak to the Ontario government.

* * *

[*English*]

ENERGY

AGTL AND PETRO-CANADA JOINT VENTURE AGREEMENT ON ALBERTA OIL SANDS PROJECT

Mr. David Berger (Laurier): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Could the minister confirm that the Alberta Gas Trunk Line company and Petro-Canada Exploration entered into a joint venture agreement to review the feasibility of developing a fourth oil sands mining complex in northern Alberta?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I can indeed confirm that agreement between Alberta Gas Trunk Line and Petro-Canada and the decision, I understand, was announced a few minutes ago.

Some hon. Members: Oh, oh!

Mr. Corbett: What a coincidence.

Mr. Lalonde: This decision represents a significant development in the pursuit of the general objectives of the Canadian government, both in terms of ensuring supply of petroleum for Canada in the 1990s and also ensuring expansion of Canadian ownership in that most important sector.

* * *

AIR TRANSPORT

SCHEDULED JET AIR SERVICE TO BRANDON, MAN.

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question for the Minister of Transport. I discussed the subject matter with him previously, so he will know what I am about to say.

Some hon. Members: Oh, oh!

Mr. Nielsen: He still will not answer.

Mr. Mayer: It concerns the lack of scheduled first-class jet air service to the Brandon area. Would the minister tell the House and the people of that area what the government's position is in terms of this service, which is very much in need in that important area of Manitoba?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I had the great pleasure of meeting with the mayor of Brandon last night in Winnipeg. He informed me of the eagerness of the municipality and the authorities to express their views. As my old friend knows, the case is still before the CTC. The difficulty we have is that the CTC has so much work at this time that it cannot deal with this matter as fast as it would like. However, I am trying to help matters move faster.

● (1500)

Mr. Mayer: Madam Speaker, my supplementary question deals with the same topic, to the same minister. He spoke earlier to the effect that the previous minister of transport had been very generous. In this case he was not generous; he was very responsible in making a decision to allow a regional carrier to apply for that route. It is one thing to be sort of passive in agreement, but what we need is active support for that air service.

Would the minister give the same kind of support to that service, in terms of speeding up hearings at the ATC, so that the service can be put into place as quickly as possible? It is something we have done without in that area for far too long: there are 180,000 people without service, not only in southwestern Manitoba but in southeastern Saskatchewan.

Mr. Pepin: Madam Speaker, in some ways my predecessor could be accused of having forced the hand of the CTC in this matter. I would prefer, as I have every right under the law—

Mr. Clark: He could be accused of knowing his portfolio.

Mr. Pepin: —to revise the decision of the CTC. I would prefer the CTC to make an objective appraisal of the situation,

knowing full well that I and the government as a whole can change that decision if judged necessary.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, it being Thursday, I wonder if I might put the usual House business question to the government House leader about the balance of the week, on the understanding that tomorrow is an allotted day.

[*Translation*]

Mr. Pinard: Indeed, Madam Speaker, we will resume today consideration of the motion for second reading of the legislation to provide the government with supplementary borrowing authority for fiscal year 1980-81. Tomorrow is an allotted day. On Monday, in case we have not completed the debate on second reading, we will continue consideration of Bill C-30, to provide the government with supplementary borrowing authority for fiscal year 1980-81. Then, we will deal with the bill to amend the Employment Tax Credit Act, the bill to amend the Unemployment Insurance Act, 1971, and motion No. 1, in the name of the government, calling for the establishment of a Ministry of State for Social Development. Later, we will go on to Bill C-28, to amend the Fisheries Improvement Loans Act. If, in the middle of next week, we have completed consideration of these pieces of legislation, I will then be pleased to inform my hon. colleague of the other measures ready to be dealt with.

[*English*]

Mr. Knowles: Madam Speaker, as the government House leader knows, we on this side try to ask these Thursday questions in a low key without any element of confrontation. But I have to say to the minister that my annoyance quotient is getting very high with respect to his delay in telling the House anything definite about the bill that the Minister of Veterans Affairs is to bring in, having to do with the widows of disabled veterans. Two weeks ago the minister said I would not have to ask the question many more times, but a week ago he said it would be in before the end of the year.

Madam Speaker, this was the subject of a bill in the last session, so the work has been done. The Minister of Veterans Affairs said he hoped to make improvements to it. Before the House met, he indicated it would be brought in soon. This is a matter of great urgency, and I call on my good friend, the government House leader, not to play around with it any more but by next Thursday to tell us when that bill is going to be brought in.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pinard: Madam Speaker, I hope I can provide a satisfactory answer to my hon. colleague. However I am in a position to give him confirmation that as a result of his numerous representations and immediately following his first intervention I have asked the responsible minister to deal with this matter so that the bill may be drafted as soon as possible. The minister gave me that assurance personally and also gave it to the hon. member for Winnipeg North Centre (Mr. Knowles).

We are now working on that bill and as soon as it is ready we will introduce it before the House and try to expedite it as swiftly as possible. However, I cannot give any personal commitment to my distinguished colleague that this bill will be introduced before Thursday next. If we can do so later on today I will, but if it is delayed to mid-July, we will do it then. We will do it when everything is ready and I can assure the hon. member that we will not unduly delay the introduction of that bill.

[*English*]

Mr. Knowles: Do it in June.

* * *

POINT OF ORDER

MR. MACKAY—QUESTION PERIOD ANSWER OF MINISTER OF TRANSPORT

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a very brief point of order with respect to the answer the Minister of Transport (Mr. Pepin) gave the hon. member for Portage-Marquette (Mr. Mayer). If I may have the attention of the Minister of Transport, I should like to direct his attention to the answer that he gave the hon. member for Portage-Marquette.

I may have misinterpreted it, but I understood from his answer that he, in effect, accused the former minister of transport, his predecessor, with forcing the hand of the CTC which is supposed to be an independent body. I see the hon. member for Vegreville (Mr. Mazankowski) has just come into the chamber: he might like to elaborate on that answer. I thought it might not be a good thing to leave it on the record in the form in which I understood it, if I understood it correctly.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if I can say just a few words on that, I did not mean to insult anybody. I just said there are two ways of looking at this particular situation, one in which the minister defines a situation beforehand on which he expresses views, and then the case goes before the CTC and is implemented by the board. That is one way of going at it.

I said that in some ways this might be considered—I think I am very precise—or could be considered as forcing the hand of the CTC. I said that I prefer the other way around, that is, the

CTC makes a decision and because of sections 25 and 64 of the act I can, and the cabinet can, review that situation and change it.

Hon. Don Mazankowski (Vegreville): On the same point of order raised by my colleague, Madam Speaker, I would simply reserve the right to check to see precisely what exchange did take place. If, as my hon. colleague indicated, the minister suggested that I had interfered wrongly or unduly with the operations of the CTC, I would certainly want to examine that exchange and reserve the right to raise a point of order or a question of privilege at a later date.

* * *

PRIVILEGE

MR. McKNIGHT—LACK OF ANSWERS ON CANADIAN WHEAT BOARD

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise on this question of privilege with great reluctance, but I also do it because of the importance, the concern and the necessity of the people of western Canada, the grain producers, the farmers and the cattlemen who apparently are totally ignored by this government. I have asked five questions in this House; as a matter of fact, with four supplementaries. The only question that was answered was answered by the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael).

Madam Speaker, I should like to read from *The Canada Gazette*, part II, volume 114, No. 6, page 622, assigning the Hon. Hazen Argue to assist the Minister of Transport (Mr. Pepin) respecting the Canadian Wheat Board, the Two-Price Wheat Act and the Western Grain Stabilization Act. The farmers of western Canada have a need and a desire for knowledge from this House. This is the minister responsible for the Canadian Wheat Board. He has an assistant in the other place—an assistant, not a minister.

I would ask, with all due respect, Madam Speaker, if anyone on the other side—the Prime Minister or anyone—could provide us with a minister so that we could obtain information here, and in turn present it to our constituents who demand it and desire it of us. If you find in my favour, Madam Speaker, I would move, seconded by the hon. member for Red Deer (Mr. Towers):

That the Prime Minister instruct a minister in this House to be responsible for the Canadian Wheat Board.

Some hon. Members: Hear, hear!

Madam Speaker: Does the hon. minister wish to reply?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only observe that my hon. friends on the other side were organized today to bring the point that my friend is now making. This is a situation that I cannot, obviously, change; it is not in my power to do so. I was given the job, and I am trying to do it as well as I can.

If my hon. friends wanted to accommodate me to any extent, that is, when they ask me questions that in some cases even the Canadian Wheat Board cannot answer without days of research, if they wanted to give me notice of these questions beforehand, I think they could be accommodated very well. I could provide the information. Inasmuch as they do not want to, we have the situation that we have now.

Right Hon. Joe Clark (Leader of the Opposition): On this question of privilege, Madam Speaker, I regret that the minister not only does not understand his responsibilities, but does not understand the question of privilege that has been raised here.

He said in this House minutes ago, during the question period, that he is not the minister responsible for the Canadian Wheat Board. That was his statement. That was his claim. That was his excuse for knowing nothing about matters of basic and fundamental interest to the grain producers of this country.

Some hon. Members: Hear, hear!

● (1510)

Mr. Clark: The point raised by my colleague, the hon. member for Kindersley-Lloydminster (Mr. McKnight), when he cited an order in council was that an order in council vesting ministerial responsibility does not vest the responsibility for reporting to Parliament for the Wheat Board in someone in the other place: it vests that responsibility, clearly and categorically, in the Minister of Transport (Mr. Pepin).

I will read again the order in council, PC 1980-605 dated March 4, 1980, in which His Excellency the Governor General in Council appoints the Hon. Hazen Robert Argue a Minister of State. I will quote the very relevant part, Madam Speaker:

—to assist the Minister of Transport in the carrying out of the latter's responsibilities—

That is, in the carrying out of the Minister of Transport's responsibilities. It continues:

(a) in respect of the Canadian Wheat Board; and (b) as minister for the purposes of the Two-Price Wheat Act and the Western Grain Stabilization Act.

The order in council makes it abundantly clear that there is not another minister in another place upon whom this Minister of Transport can shuck off responsibility for the Canadian Wheat Board. It is his job to know what the Wheat Board is doing. It is his job to report to this House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: It is his job to take responsibility. It may well be simply a matter of opinion whether or not the minister is carrying out that job well. We think he is carrying it out abominably, Madam Speaker. I cannot remember a minister in my time in the House of Commons who has come into this House day after day less prepared than the Minister of Transport has in relation to very important questions relating to the Canadian Wheat Board. But that is a matter of opinion.

The question of privilege at stake here has to do with the attempt by this minister to deny, here, on the floor of the House of Commons, responsibilities which are clearly assigned to him by an order in council. It is bad enough that he does not know the details of matters relating to the Canadian Wheat Board: what is even worse is that he should come before this House of Commons and try to tell us and the people of Canada that he is not, in fact, responsible for matters for which an order in council of his own government makes him responsible. It is time for this government and for this minister to accept responsibility here in this House of Commons, not to relegate the problems of Canadian grain growers to a secondary status or to a matter of being so unimportant that the minister denies his responsibilities for them.

I believe that we are seized here of a very real question that touches the rights of members on this side of the House of Commons and, indeed, members anywhere in the House of Commons who represent grain growers whose interests are affected by the operations of the Canadian Wheat Board. They have a right to expect that there will be a minister here who will answer questions.

The order in council and the law of the land imposes upon that minister, the Minister of Transport, the responsibility to come here. He has tried today to deny that he has the responsibility given him by the order in council. That is simply unacceptable, Madam Speaker, not simply to this House but to any concept of responsible government.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it is quite obvious that the Leader of the Official Opposition (Mr. Clark) longs for his few years of law and is trying to give interpretation to an order in council even though what is more important is that members of the House obtain information that is as complete and as accurate as possible. What the minister did today in the House in replying to a few questions was done in the most honest and the fairest way possible. He replied that he was planning on consulting the Minister of State responsible for the Canadian Wheat Board, who sits in the Senate, and that he would obtain all necessary information and report later to the House so as to provide hon. members with the fullest and most accurate reply possible.

Madam Speaker, I find it difficult to understand why some members try to interpret a document simply for interpretation purposes without truly considering what they are looking for. When hon. members ask questions in the House, what they want is not so much to know how to interpret an order in council as to obtain an accurate, full and honest answer.

If the Progressive Conservatives really want full answers to their questions, I wonder why the Leader of the Opposition objects to the fact that the present Minister of Transport (Mr. Pepin) wishes to consult his colleague, who is in fact the Minister of State responsible for the Canadian Wheat Board, so as to be able to give specific details and provide the information requested by opposition members.

If this persists, Madam Speaker, we shall have no other alternative but to conclude that, in fact, what the members of the Progressive Conservative party want is not so much serious and full replies to their questions as the simple opportunity to play political games in a Parliament which has no time for such things.

Madam Speaker, I find it totally unacceptable for the Leader of the Opposition to take up the time of the House at this time, when Parliament has been in session only a very short time this last year because of two general elections in quick succession, to amuse himself by interpreting orders in council and attempting to show that the Minister of Transport is acting irresponsibly when he wants to obtain some facts to provide a full and accurate answer to one of his colleagues. I find this totally unacceptable. Instead of taking up our time by attempting to interpret certain documents, I would ask him rather to try to obtain full answers like the one the Minister of Transport wants to give his colleagues.

Madam Speaker: I have heard two speakers from each side on that point of privilege. If I may, I would like to state that with the remarks made by the right hon. Leader of the Opposition (Mr. Clark), this House somewhat strayed in my view from the original point of privilege. The right hon. Leader of the Opposition spoke on who was responsible for the Canadian Wheat Board, while the point of privilege raised by the hon. member for Kindersley-Lloydminster (Mr. McKnight) was rather in the nature of representations to the Prime Minister (Mr. Trudeau), representations stemming from the fact that the hon. member is not satisfied either with the answers he received or the situation arising in this House from the fact that a minister who is a member of the upper chamber is responsible—on which point I will not interpret the nature of his responsibilities because it is not for me to do so—or in any case on who should answer questions pertaining to the Canadian Wheat Board.

The remarks made by the hon. member for Kindersley-Lloydminster were rather in the nature of representations, and certainly he will understand that points of privilege may not be raised to make representations. In conclusion, on its face, the point raised by the hon. member is certainly very important, it probably deserves to be debated at length in this House, but this may not be done under a question of privilege.

[*English*]

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order. It seems to me that the hon. gentleman, the hon. member for Kindersley-Lloydminster (Mr. McKnight), has raised a substantive question of privilege. I am not challenging your ruling, Madam Speaker.

Madam Speaker: Order, please. If the hon. member is referring to the ruling that I have just made, I feel that I

cannot hear him. If it is a point of order pertaining to some other matter, I will hear him with pleasure; but he must be very careful not to allude to the ruling I have just made.

Mr. McGrath: Madam Speaker, first I want to know what was the disposition of the substantive motion made by the hon. member in support of what he and many of us consider to be a prima facie case of privilege. The fact that there is a minister in this House who, under the order in council, is responsible for the Canadian Wheat Board is the question of privilege.

Madam Speaker: Precisely. It was a substantive motion, and there was no notice given of that substantive motion. Furthermore, quite obviously, by the argumentation set forth by the hon. member for Kindersley-Lloydminster (Mr. McKnight), he was making representations to the Prime Minister (Mr. Trudeau) about a situation which he does not find satisfactory. He can debate that at any time he wishes, but my ruling must stand.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. With respect to the question of notice, I think if it had been the kind of matter that occurred in other than the question period, it would be one upon which notice could be given at the appropriate time prior to the next sitting of the House. But I would not want your response with respect to the question of notice to imply that if written notice is not given, members are precluded then from raising at three o'clock matters that occurred during the course of the question period, otherwise we would be denied some very substantial rights. I am sure Your Honour did not intend that, but I want that to be clear. I hope that Your Honour would express that that is not her intention.

Madam Speaker: I said two things: that a substantive motion does require notice. I also said that the nature of the argumentation brought forth by the hon. member seemed to me to be that of representations and did not appear to be a prima facie case of privilege.

● (1520)

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise on a point of order. When you recognized members to participation in the privilege motion by the hon. member for Kindersley-Lloydminster (Mr. McKnight), you did not recognize anyone from this party. I know you have the right to recognize whom you choose. What I want to say is that we support very strongly the question of privilege raised by the hon. member for Kindersley-Lloydminster. I do not know whether you will allow me to continue, because you have already made your ruling.

It is very important that I put on the record that we were not recognized to comment and that we support very strongly what the hon. member said. We are very unhappy with the way the Minister of Transport (Mr. Pepin) has handled questions regarding the Wheat Board. When he said today that he is not responsible for it, we think that is a real infringement of our privileges as members of Parliament who come from western ridings where wheat is very important.

We have an obligation in this House to pose questions on this topic. The government has an obligation to make sure there is someone on the government benches who can respond with intelligence to our questions. I see, Madam Speaker, that you are trying to cut me off. I want to make the point that I think we should have had some say in this debate.

Madam Speaker: First, it is true that I did not recognize someone from the New Democratic Party. I said that I had listened to two members on one side, two on the other side, and that I felt sufficiently informed in order to make a ruling. However, I must point out to the hon. member that he, too, is arguing the question. This is a grievance that members have vis-à-vis the government. They are quite free to bring any kind of grievance before this House, but not under the guise of a question of privilege.

* * *

POINTS OF ORDER

MR. JELINEK—QUESTION PERIOD ANSWERS BY MINISTER OF TRANSPORT

Mr. Otto Jelinek (Halton): Madam Speaker, my point of order is on a related matter but not on the same question of privilege. It is a point of order which I believe the minister could clear up.

Today, Madam Speaker, as you saw and heard during the question period, the Minister of Transport (Mr. Pepin) put on one of the most disappointing, if not disgraceful, performances on record in this House. Not only did he not even attempt to answer questions pertaining to the Wheat Board, but he could not answer any questions relating to the Department of Transport today, as in the past. It is obvious that the minister is not taking the necessary time and effort to brief himself on one of the most important portfolios affecting every Canadian across this country—not only every member of the House of Commons but every Canadian.

I said at the outset that the minister could clarify the situation today, right here and now. I ask him to take the only honourable step open to him in respect of his performance so far in this House of Commons, that is, to resign from his position as Minister of Transport and allow somebody who will take the necessary steps to brief himself and to be responsible as a minister in this very important portfolio.

Madam Speaker: I am sure the hon. member knows that the Chair is in no way capable of ensuring that a member will be satisfied with the quality, length or breadth of an answer to any question posed by a member of the opposition or, in fact, a member of any party. If a member is not satisfied, he can ask more questions day after day after day. That is the whole object of the question period. However, I do not believe it is a point of order.

MR. TAYLOR—MINISTERIAL RESPONSIBILITY FOR CANADIAN WHEAT BOARD

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, on a point of order, on the matter of false information being given to the House. When he talked about the Wheat Board, the minister said, "I am not the minister responsible". The order in council shows that he is the minister responsible. Therefore, I suggest that this matter be held in abeyance until after Madam Speaker has had a chance to read the record, because false information was given to the House.

Madam Speaker: The hon. member is entering into a debate. This is not a point of order.

* * *

PRIVILEGE

MR. MALONE—FAILURE TO CONVENE PARLIAMENTARY COMMITTEES

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise on a different and very important question of privilege dealing with the rights of all members of this House, and one that we can underscore as restricting members from their full opportunity to participate in Parliament. It deals with the fact that, for whatever the reasons, the government of the day has failed to put this Parliament into action, as demonstrated by the fact that as of this moment 13 out of 20 committees are not functioning. If we take a look at those committees, six of them have never met, and seven have met only to have their organizational meeting but have not met since.

In light of the discussion we just had on a question of privilege dealing with the Canadian Wheat Board, if we look at that particular institution it will be noted that the Canadian Wheat Board has a budget as large as the provinces of Manitoba and Saskatchewan combined. It reports to no one except members of Parliament, and yet members of Parliament are denied the opportunity to call that agency to account. Members of Parliament are the only people who can call that agency to account.

If we look at the committees on agriculture, fisheries and forestry, health and welfare, justice and legal affairs, miscellaneous private bills, procedure and organization, and a great number of other committees, we find in fact that they have never met or they have in no way—

Mr. Knowles: Veterans Affairs.

Mr. Malone: The member of the New Democratic Party says that veterans affairs has not met. As hon. members know, if there is a motion in the committee and that motion is passed by the committee, it must be brought to this Parliament and debated here if there is a wish by any one member to call for it. However, we cannot call for that motion if the committee does not sit. We cannot speak in this chamber if those committees will not allow us to raise the motion with the possibility of passing it and therefore bringing it to this chamber.

Those members who have been here for some time are clearly aware of the narrow restriction of what is and what is not privilege: it is whether or not we are restricted to function in Parliament in this chamber. However, when we look at the issues that we could potentially face, the committee function, surely we have to come to the conclusion that you can bar a member in a committee by somehow not allowing him to speak, putting him out of the committee or physically or psychologically cutting him off. Surely you can do the same thing by never having the committees function, and thereby denying a member that right.

If you take the committee function which would bring to this Parliament a variation of activities, amendments, motions or whatever, and make it so it cannot be proceeded with here, then surely it has to be a concern when we say our right to speak or to influence this Parliament has been denied.

I wish to refer to citation 578 of Beauchesne which deals with the need to call committees early. It is citation 579(2), which puts a responsibility for that clearly on the government whip, and citation 570 which stresses that committees must give preference to due and sufficient consideration.

I am not sure what the members on the government side would consider due consideration, but today is the forty-fifth day after this Parliament resumed on April 14. Surely we do not need to wait beyond some 45-day period with more than 50 per cent of the committees either not formed or never having met for the first meeting. There are, before us, all the estimates. We should have a right to call those estimates, as members of parliament, in order to review them, analyse them, criticize them or make amendments. We should have the right to make a motion which would bring a debate to the floor of this chamber. However, we are denied that opportunity because the government of the day simply will not strike the committees or have the committees called to meet.

One of the questions that members of Parliament are starting to ask is, "Why are we here?" There are systems set up whereby we can function, work and represent our constituencies on the issues of the country. However, if they will not put the systems in place, then by default what the government is doing is making it so that Parliament will not, and cannot, work.

We see situations like the explosion of Mount St. Helens, in Washington, which is having an effect on the spawning of salmon on the west coast; but there is no fisheries and forestry committee. Very early in the spring and summer of 1980 we have had by far the largest number of acres of forest destroyed by fire that we have had in our history; but find there is no forestry committee meeting. When we find there is no forestry committee meeting, then surely the rights of members are, in fact, being denied.

● (1530)

I would like to quote just one other instance of this, Madam Speaker. I refer to the occasion just a few weeks ago when the member for Medicine Hat (Mr. Hargrave) rose under the provisions of Standing Order 26. You will recall he was

endeavouring to bring to Your Honour's attention, and to the attention of the House, his concern about the very severe drought in the three prairie provinces. At that time, Madam Speaker, you denied the emergency debate on the following grounds—and I quote your words:

In this instance I am sure the hon. member knows that the matter can be raised in the committee where the estimates of the Department of Agriculture are currently being studied.

Madam Speaker, that was some weeks ago, yet the Standing Committee on Agriculture is only today meeting for the first time. So up to this moment, 45 days after April 14, when there was an urgent request made by one member followed by the suggestion that he could take the matter up before a committee, there has been no committee. So I would again say I think we are being denied.

If we take a look at the miscellaneous estimates committee we find that the committee met, mapped out two weeks of work, and has not met since. I think that speaks for itself about the kind and quality of work the government is directing us to do and about our inability to function. I argue that the right of members of Parliament to scrutinize estimates, to examine government policy, to analyse and make suggestions about alternative policy, belongs to every member of this House. A member is denied the privilege of being able to participate if the system denies him the opportunity to do so.

I believe I do have a question of privilege under the provisions of Standing Order 75(2), and I glean some information from that Standing Order although there are many others which are relevant. It says:

All amendments made in committee shall be reported to the House.

How can I, as a member of Parliament, affect in this House something that would come out of an extension of the House if that extension does not exist? The committees have always been viewed by members of Parliament as an extension of Parliament. When we sit in committee we are sitting in an extension of Parliament. I am sure members of all parties, when their constituents come to sit in the galleries in the afternoons and ask "Where are you?", tell them: "I am in committee, which is an extension of the House." That is a part of the House activities. Standing Order 75(2) states that all amendments adopted in committees must be brought to the House. But we cannot do this when more than half of the committees, 45 days after this Parliament met, are not sitting.

Madam Speaker, if in your judgment I have a bona fide question of privilege, I would move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the unacceptable failure of the leader of the government in the House of Commons to give instructions or references so as to cause the committees of this House to function, be referred to the Standing Committee on Privileges and Elections.

As a footnote, I would like to add that this is one of the committees which, by chance, happens to be meeting.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Yes, Madam Speaker. I would like to emphasize the remarks made by my colleague from Crowfoot (Mr. Malone), because it is absolutely unacceptable in my view that at this point in time, in the sixth week of this Parliament, a number of our committees are defective. I remember very well that when we were in committee to discuss the current rules of procedure, we ensured that it would not be necessary to wait for motions of reference from the government before estimates could be sent to a committee. In fact, once the estimates are introduced, they are automatically referred, and committees are in place because the first motions are for the nominations committee, and committees are appointed in a matter of days. But this is ended for the major part, and the government whip is directly responsible for this.

The only way we can act is to submit our grievance to the Chair. We can voice our grievances, and how! This is a tactic worthy of Marie-Antoinette, to say in the House that you can discuss a certain matter in committee when that committee does not even exist. This is not a satisfactory way to deal with matters when there is a crisis in one region of the country. When there was a dry spell in eastern Ontario, your predecessor, Mr. Lamoureux, had agreed to an emergency debate. And now, we also have rules in this respect; there is no interference with the work of the House since these emergency debates are held after the ordinary time for adjournment, such as Wednesday night. Therefore, why say that when it does not exist? However, tomorrow will be an opposition day. Such days are provided so that the opposition will use information to judge the administration of one department after having studied certain votes. But how is it possible to do that if half the committees do not meet? We cannot study the votes if we do not have them before us.

The opposition is completely frustrated in its efforts. It may be that government members do not know that we can be frustrated with respect to matters we want to raise during opposition days. And to state merely that those days exist and you may air your complaints, if it is not possible to seek out these complaints or to expound on them, this is another method worthy of Marie-Antoinette. I simply say that I agree very strongly with my colleague from Crowfoot and it is now imperative that the government whip be asked to appear before the Standing Committee on Privileges and Elections to explain why he has neglected his duties, and on this point I support the motion.

[*English*]

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in speaking to the question of privilege raised by my friend the hon. member for Crowfoot (Mr. Malone), I, too, would like to reflect on the frustration I feel as a member of this House, duly elected and fully equal to all other members, to engage in the full parliamentary process in accordance with parliamentary traditions, and long-established and respected routines.

Without meaning any disrespect to the Chair, I think it is Your Honour's responsibility to recognize that there is an arrogance on the part of the government, a lack of co-opera-

tion which ought to be unacceptable to the Canadian people and which is certainly unacceptable to members on this side of the House. In light of my interest in fisheries in particular, I find absolute frustration in the fact that some $300 million worth of spending under the jurisdiction of the minister responsible for fisheries is contained within the estimates for the current year, yet we in this House through the process of committee work are not able to examine those estimates. We have long, unresolved questions relating to federal fisheries licensing policy, questions related to reports which the committee should have been dealing with a year ago, and we are not even able to secure enough of the time of the House to get detailed answers from the minister responsible. It is, therefore, a travesty that the committee has not been organized, let alone called to this date after almost seven weeks of sitting of this House.

● (1540)

There have been two motions under Standing Order 43, one last Thursday and another again yesterday, moved by my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn) censuring the government and directing it to get on with the calling of committees so that this important work might commence.

We recently had a volcanic eruption that has decimated the salmon stocks of the western Washington coastal region, and we have Washington fishermen now suggesting that they should have a greater share of the salmon yield from the Fraser River. That is a matter of some urgency in which all of our west coast fishermen have considerable interest. We should be able to question the minister on what approaches he is making to his American counterpart, and what initiatives he is taking on behalf of west coast fishermen to see that their interests are protected.

Of course, as my colleague the hon. member for Crowfoot mentioned, and other colleagues might wish to go into greater detail, we have forest fires raging across this country, a matter which ought to be before the Standing Committee on Fisheries and Forestry.

The fishing season is under way, yet the minister has yet to make any announcement on fishing licensing regulations and fee structures in the commercial fishery and the sport fishery. There are fishermen who are expecting to go out fishing or, indeed, are out already who do not know what size salmon they should be throwing back into the water. There is a whole host of related questions that we know the minister has under deliberation.

In the Speech from the Throne we heard reference to a special landing tax or levy against the catch of west coast fishermen, and we want to question the minister about that concept because we think the fishermen of Canada are very, very concerned about what that will mean to their incomes this year, particularly given a very tight situation in terms of the prices that world markets are yielding.

There are important conservation considerations, the east and west coast joint Canada-U.S. negotiations affecting our fisheries, and there was a review of the Fresh Water Fish Marketing Corporation in process, all questions that have gone without answers because the government opposite is frustrating the process of this Parliament and its opportunity to get detailed answers to these questions.

In supporting this question of privilege I would urge that you, Madam Speaker, consider very seriously that the work of Parliament is being frustrated. Ministers are abdicating their obligations to members of Parliament and this is a mark of their arrogance and their lack of respect for Parliament. I think this is absolutely inexcusable.

Mr. Tom McMillan (Hillsborough): Madam Speaker, I will be rising, I hope, later today on another matter of privilege, or a point of order, I suppose, technically, but that matter pales by comparison with the import of the motion that my colleague, the hon. member for Crowfoot (Mr. Malone), has put forward this afternoon having to do with the failure of some of our standing committees of Parliament to meet. While I had not intended to speak on the motion, I was so moved by his eloquence and the eloquence of other members I felt obliged to respond. The motion relates fundamentally to the rights of every member of this House, regardless of party and regardless of where any particular member might sit.

The hon. member for Richmond-South Delta (Mr. Siddon) has referred to the failure of the Standing Committee on Fisheries and Forestry to meet, a failure even to have an organizational meeting. He has discussed some important and urgent matters relating to fisheries. For just a moment or two I would like to elaborate on that point by illustrating the importance of some other issues coming under the rubric of the Standing Committee on Fisheries and Forestry.

I refer in particular to the urgent issues having to do with the environment, in respect of which I am the official spokesman of the Progressive Conservative Party. All of the urgent problems to which I might refer could not be itemized in the short time I have at my disposal. But I should mention, and it is only an illustration, the problem of acid rain, a form of pollution that is devastating our forests, our waters, our air, our land and our wildlife; indeed, it is threatening human life itself. That is a matter which could be dealt with effectively, not just in Parliament on the floor of the House of Commons itself, but as well in the forum that standing committees provide.

Another example is resource development. Huge initiatives being taken—for instance, in the Arctic—threaten our environment, our precious and delicate ecosystems there. That is an issue, too, that should be dealt with in the relevant standing committees of the House which are failing to meet.

What about the proposals for tanker routes down our coasts and the threat they pose to our environment? And what about oil exploration everywhere, including that in my own region of Atlantic Canada and the threat it presents to our fish stocks? Another illustration is agricultural spraying. All such matters cry out for urgent attention by every member of this House regardless of party and regardless of where a member might

sit. Because these standing committees are not meeting, the government is, in effect, failing to provide members of the House of Commons with one of the most important forums in which to address national problems. Members of Parliament are, consequently, being denied a fundamental right.

All those issues I mentioned, and many others that could be referred to, need to be discussed in standing committees. Since they are not, we are being denied the right, for example, to hold relevant ministers accountable for their portfolios. It is a basic principle of parliamentary democracy and of responsible government that ministers must account to members of the House of Commons in every parliamentary forum, whether in the House of Commons or in standing committees, which are, as one member pointed out, an extension of this House. We do not have that opportunity, for some of the standing committees have yet to meet. We are, therefore, being denied our full privileges, and in the process the principle of responsible government itself is being undermined.

It is for those reasons, and for many others, that I take great pride in supporting the motion put forward by the hon. member for Crowfoot, and I urge all other members to support it likewise.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in my view there is no more fundamental question of privilege raised in this House than this; that has been my experience after serving eight years in this House. It is further testimony, to my way of thinking, to the arrogance of this particular government in denying the right of members on all sides of the House to exercise their functions; hence privilege. This is the definition of privilege. Members are being denied the possibility of even exercising their full functions to legislate, to inquire and to hold ministers to account for the performance of their duties.

There was a package of parliamentary reform available for presentation by the government in the Thirty-first Parliament. It was to have been placed before the Standing Committee on Procedure and Organization and it would have obviated this particular problem we are now facing. That package would have permitted, had it been accepted, the members of the committees to call the committees together without having to wait on an inefficient, ineffective and arrogant government to agree, to condescend to allow committees to be brought together in order to fulfil their functions, or one of the functions of Parliament, and to permit members of this Parliament to perform their functions.

● (1550)

That package would have been brought before the Standing Committee on Procedure and Organization in this Parliament had the committee been allowed to be brought together by an order of the House. There should be an automatic reference of every ministerial report, any departmental report, to committee so that the committee would have, by virtue of the tabling of that particular report, access to the minister in charge of the department.

My colleagues have spoken of the various problems this country is facing owing to the drought, forest fires, the fall-out from Mount St. Helens and its effects on the forestry industry, the fishing industry and agriculture. But there is no possibility of discussing these subjects in committee because under the standing rules it is the government alone that makes the reference to the House. The House concurs in the reference once the government has drawn it up, but there has to be, if this Parliament is to have any meaning whatever and if your role, Madam Speaker, is to have any meaning whatever, with all due respect, a means for this Parliament to function and for members to exercise the duties and responsibilities for which they were sent to this Parliament by their constituents.

Therefore, I support every single word, comma, apostrophe and parenthesis, the whole statement, of my colleague, the hon. member for Crowfoot (Mr. Malone). I encourage you, Madam Speaker, to rule that we should have the means now of calling the committees together so that we may fulfil our duties.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with all due respect since several hon. members have spoken, I would not like to offend them by allowing a ruling to be brought down which seems obvious to me. The case before the House has nothing to do with the question of privilege. Intelligent reading of Standing Order 65(1)— I hear the hon. member from Vancouver howling. Let him have his say, after which I can resume my remarks. The Progressive Conservative member from Vancouver just yelled something. I did not catch what he said.

Madam Speaker: The hon. President of the Privy Council has the floor.

Mr. Pinard: Madam Speaker, I was just saying that intelligent reading of our Standing Orders shows that Standing Order 65(1) stipulates as follows:

> At the commencement of the first session of each Parliament, a striking committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, within the first ten sitting days after its appointment, lists of members to compose the following standing committees of the House:

Then, a list is given of 20 standing committees of the House. We have fulfilled our obligation, Madam Speaker. The striking committee was appointed and the list drawn up of hon. members chosen to sit on those committees. The hon. member for Crowfoot (Mr. Malone) brought up two points which deserve consideration. The first concerns the organization of those committees, and the second the fact that some committees, though constituted, are not sitting.

On the first point, I want to advise the hon. member that I am surprised by his statement because, according to my information, the overwhelming majority of the standing committees of the House have been organized. In fact, it seems

that only two committees, three at the most, are not yet fully organized, and that is not through any fault on the part of the government. Furthermore, as to the committees which are organized and which, according to the hon. member, have not met to date, I want to tell the House that it is the responsibility of the committees themselves to set their own procedure and make their own decisions. I hear an hon. member say that he has been sitting in the House for a few years and that he thinks this is the most important question of privilege he has ever heard in his life. I refer to the hon. member for Esquimalt-Saanich (Mr. Munro). I think he is sincere when he says that it is a very important matter, but I am not under any obligation to share his views.

This, to my mind, is the least important question of privilege I have ever heard being raised in the House. Madam Speaker, when the committees are formed, it is up to them to determine their procedures, their time of sitting and their activities, and the House has no authority to intervene unless it has received a report for any one of these committees. To my knowledge, there has been no report from those committees that would justify the intervention of hon. members who are criticizing. I want to make it quite clear that the committees are masters of their procedures and we cannot consider what goes on or does not go on in committee unless a report is brought before the House; we can only discuss the report.

Now there is another basic principle that applies. Standing Order 65(8) enumerates the powers of the committees and states that those committees are empowered to examine and enquire into all such matters as may be referred to them by the House, and not by government. I heard earlier my colleagues say the government decides what a committee is going to study. In fact, the rules indicate quite clearly that the House does. I, for one, have a lot more respect for Parliament than those who say government members alone determine what a committee is going to study. There is a forum here where we can discuss, where the opposition can be heard, can make its point, and the reference can be the result of a debate in this House. In fact, the House makes the reference, not the government. So those who argued the government had failed to have matters referred to committees are mistaken and run counter to Standing Order 65(8).

In any event, Madam Speaker, on the whole I do not believe the hon. member for Crowfoot has reason to complain. He says the estimates are now before all appropriate committees. That is true. But he should know that under the agreement we reached the standing committees are going to have a lot more time to consider the estimates than they would have had had the normal rules applied. But, as we know, because of the two successive elections in the previous year, it was impossible to apply the normal rules so the standing committees of the House, following an agreement we reached, instead of having three months to consider the main estimates, are going to have nearly nine months to do it. So if there is a delay of a few days in getting the committees organized, well, I want to reassure my hon. colleague there is no great loss there. He will still have a lot more time to consider the estimates than he would have had had the normal rules applied.

So, Madam Speaker, all things considered, when you take the two arguments raised by the hon. member for Crowfoot, you realize there is no question of privilege because, on the first point, we acted diligently to get the committees organized. Out of 20-odd committees mentioned in Standing Orders, at least 17 have been set up and the other two or three are in the process of being organized, and if they have not been set up yet, there is no evidence here to suggest the government was at fault. Nothing shows that it is not due to the action or inaction of some members opposite. I am not saying that; there is no evidence. On this matter, to establish if there is a question of privilege you must have before you some elements of evidence. There is a total lack of any proof that the government would be responsible for the fact that two or three committees have not yet been organized with a chairman and a vice-chairman elected.

As concerns the second point, the fact that some of those committees have not yet met, it might be because first, there have not been enough references coming from this House except for the estimates which we shall be able to study at length. We have not been able to study enough bills and not enough bills have been passed in second reading to justify a committee meeting. Then, there is no indication, no evidence before this House that one or several committees have been instructed to meet. Here again those who have complained are also responsible for that. No allegation was made nor proof given that a request had been made to have an organized committee meet and that such a request had been refused. Nothing along that line has been proven or set forth in this House. Moreover, I can confirm in the presence of my colleagues the parliamentary leaders that this matter was never raised during our many meetings since the beginning of this session.

In light of the facts I have just mentioned, Madam Speaker, it seems obvious that the question raised has some interest. As for me I will do everything in my power to expedite the organization of the two or three remaining committees. I will do everything I can to ensure that these committees are willing to meet as soon as possible, but until now there has been absolutely no cause to justify the motion presented by the hon. member for Crowfoot. There was certainly no breach of the rules which would justify a decision by the House that there is in this respect a prima facie question of privilege. For all these reasons then, Madam Speaker, I ask you to reject this motion and conclude that there is not a prima facie question of privilege.

● (1600)

[*English*]

Hon. James A. McGrath (St. John's East): Madam Speaker, would the hon. minister permit a question? I am not quarrelling with what the minister had to say, with one notable exception. My question is simply this: Does he take the position that only the government has the right to call an organizational meeting of a committee, just as only the government has the right to set the day when Parliament will meet? Parliament cannot meet itself because it does not have a Speaker; only the government can set that date. By the same token, only the government can decide when a committee will meet after it has been struck. Is the minister taking the position in this House that the government does not have the responsibility to convene a meeting of a committee after it has been struck for the purposes of that committee organizing itself and electing a chairman and a vice-chairman?

[*Translation*]

Mr. Pinard: I indicated clearly a few minutes ago, at least I thought it was clear, that some hon. members have maintained that committees which were organized had not met and I said they had not given any proof to their arguments demonstrating that the government was to blame if some committees had not yet met. I stated this clearly.

In answer to my colleague who asked whether it is up to the government to see that these committees organize themselves, in my view the government must surely have an important role to play in this respect. For my part, when there is a problem I have always been ready to discuss it with the parliamentary leaders of the other parties in order that all House services work as smoothly as possible. I have great respect for the rights and privileges of the opposition as well as ours and I like to see the opposition participate. And if there had been serious reasons, serious complaints or consequences for the opposition stemming from the fact that some committees, albeit a small number of them, had not yet been organized it seems to me that I would have heard about it from my eminent colleagues who are parliamentary leaders of the official opposition and of the NDP, but I have never heard a complaint of this nature.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the minister. The advice I have been given is that the committees which have not met are the Standing Committee on Communications and Culture, the Standing Committee on Fisheries and Forestry, the Standing Committee on Health, Welfare and Social Affairs, the Standing Committee on Justice and Legal Affairs, the Standing Committee on Miscellaneous Private Bills and Standing Orders, and the Standing Committee on Procedure and Organization. That is my understanding of the committees which have not met. Some of them are quite important with respect to issues, as members have indicated.

Now that the issue is here in the House, I have a question for the minister. Would the government House leader undertake to speak to the members of the committee—and I will for my part undertake to speak to members of the committee on my side of the House—so that they can be urged to ensure, in the event that it is found there is no question of privilege, that those committees get going? Although there may be no legal responsibility on the President of the Privy Council (Mr. Pinard)—he may take that view—I think he has had the sense of the House. I now speak to him in his capacity as House leader. Having had the sense of the House, will he take some initiatives to get those committees going?

[*Translation*]

Mr. Pinard: Madam Speaker, this is what I referred to earlier in my remarks. Considering on the one hand that almost three-quarters of an hour were lost arguing about a question of privilege, which it is not, and on the other hand that this is the first time I have heard any complaints about this, I offered my services to speed up the organizing process of those committees that are not yet organized and to check whether there are serious or valid reasons why the organized committees have not yet met. Therefore I would repeat the offer I was pleased to extend to my colleague, the Leader of the Official Opposition, and I extend the same offer to the Leader of the New Democratic Party, who seems to be in agreement.

[*English*]

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I am wondering whether the government House leader would be prepared to accept the question in the form of a motion under Standing Order 43, that the matter would be referred to a committee thereby giving it a reference from this House. For example, I would be prepared tomorrow to formulate a motion under Standing Order 43 on fisheries and forestry procedure, requesting that that committee meet to discuss the matters that ought to be before it and to elaborate on the matters that ought to be before it. Would the House leader accept that form of a reference? He said that it is not the government's responsibility to produce references. If we can produce references in that way, I would be delighted to learn of it, because it will happen tomorrow.

[*Translation*]

Mr. Pinard: Madam Speaker, to answer the question, first there is nothing to hinder the hon. member from introducing a motion under Standing Order 43. Of course, we decide whether it is truly urgent, as we did on all those that came up until now. I cannot guarantee that the 281 members in this House will agree to a motion by the hon. member to refer any subject to a committee. Second, we jealously maintain nonetheless the government's prerogative under Standing Order 18(2), and we are responsible for establishing the order of things here. What I said earlier, and I would have expected my learned colleague to grasp it immediately, is that we sometimes refrain from referring subjects without consulting with opposition members.

When I said that Parliament was involved, opposition members were involved in the references, I made it very clear later that this usually follows a lack of agreement in a debate that the subject or legislation or motion be referred to committee, whence the contribution by members from both sides of the House, including the hon. member who just put the question.

[*English*]

Mr. Siddon: Madam Speaker, I have a related question for the House leader. Should such a motion be put tomorrow, as indeed it was yesterday by the hon. member for Saskatoon West (Mr. Hnatyshyn), would the House leader give us his assurance that he would urge all members of the government caucus to support such a motion? Would he make that commitment today and show leadership to this House, in view of the recognition he has given of the fact that he believes along with us that it is time we got on with meeting in committee?

Mr. Malone: We want to work.

[*Translation*]

Mr. Pinard: Madam Speaker, I am afraid my hon. colleague misunderstood my remarks. I encourage him—I do not wish to disappoint him—to read my answers. I think they completely cover the subject. I recognized no responsibility, all I offered was my co-operation. I therefore submit this is no valid question of privilege. We are ready to co-operate and we never had any complaints before today. For the rest, I would encourage him to read my remarks and he will see and understand my position.

Madam Speaker: It seems to me that in the question of privilege which has been raised, there are two main issues which I must deal with. First, that the committees have not met. The arguments and suggestions which have been presented have led me to believe that committees have been set up, but the main grievance seems to stem from the fact that some of them have not met. The other question on which it would seem I am expected to rule has to do with an urgent issue which hon. members feel they could not debate. They suggest that this is an important issue and that the House should deal with it forthwith. As to the setting up of committees, this clearly comes under the organization of the business of the House and as a rule, as indicated by an hon. member, it normally depends on the initiative of the whip, as expressed in Beauchesne's citation No. 579. But it is not up to me to weigh the reasons why committees are meeting or not meeting. This is completely beyond the responsibility of the Chair. I am not certain, but I think that there were assurances that some committees would meet so that the question which some members consider urgent could be debated.

As I was given notice of this question of privilege, I noted that the Standing Committee on Agriculture, which is mentioned in the question of privilege, was meeting this afternoon at 3.30 and that the minister would be present at the meeting. Of course, the committee is now considering the estimates. Some will say that this urgent question is not on the order of the committee, but members could try to raise it anyway and they might obtain satisfaction.

In any case, it seems to me that I must also consider the urgency of the question raised, because some time ago, concerning a motion moved under the provisions of Standing Order 26, I gave a decision which said in essence that other procedures could be used to debate the matter, including the fact that certain committees were to meet at a later date which I was unable to specify. These other procedures would, of course, be questions during question period, motions moved by hon. members and opposition days. In fact, what I want to emphasize, in accordance with my earlier decision on the above mentioned motion, is that there are procedures which can be used to debate these urgent matters.

However, in view of the importance of the question raised, in view of the dissatisfaction of some members concerning committee meetings which are not held, and in view of the fact that the question, as presented by some members, exceeds the limits of what could be discussed in the Standing Committee on Agriculture—I believe that certain members raised the issues of the environment and fisheries, and I do not know now whether these committees have been able to meet yet or not—in view of this situation and the importance of this issue, I would like, if I may, to review all the documents and see whether there will be other opportunities to discuss this question in the House, and I shall therefore defer my decision on this motion.

• (1610)

[*English*]

MR. ROCHE—CONSTITUENTS REFUSED ACCESS BY SECURITY STAFF TO MEMBER'S OFFICE

Mr. Douglas Roche (Edmonton South): Madam Speaker, I am rising on a question of privilege at this, my first opportunity to do so, on a matter that affects the rights of all members and certainly affects my rights as a member.

At 1.40 p.m. today five constituents of mine, whose visit was anticipated by me and who were introduced at the front desk of this building where I maintain my own office, were not allowed past the front desk and were, in effect, barred from going to my office, despite the fact that they were, as I say, properly introduced. Moreover, one of my secretaries was sent to the front desk to personally escort these people to my office.

I feel that this is an interference with my right to receive constituents in my office. I am conscious of the security problems, particularly in this building. I have always notified the security officials when I am expecting a large number of constituents. Today, the arrival of the five constituents was, as I say, anticipated. They were rudely treated. My secretary who went personally to escort them was harassed. My staff is owed an apology by the security staff at the very least.

But in any event, I think there is a larger point at issue here, that irrespective of the security provisions of this building, I do

not think it is particularly helpful to members of Parliament when their own constituents who come to visit them in a properly programmed manner are treated in a way in which they are made to feel unwelcome and in which they are shaken, as indeed these people were today. I believe that it is the right of a member of Parliament to bring constituents to his office and, moreover, to bring them to the gallery which is provided for opposition members.

These people were denied access to that gallery. The ordinary procedure is for members of Parliament to issue passes. The constituents line up in turn and if there is room in that gallery then they get in. It is not the function of the security staff at the front door of this building to bar people entrance to my office where they can obtain a pass and then take their chances of getting into the gallery.

I feel that it is an important provision, Madam Speaker. I will not take up the time of the House on the matter, but I would ask, respectfully, Madam Speaker, that you investigate this incident and make sure that the security staff operates in such a way that they are protecting the building, but not turning away people who have a legitimate right of access to the members' offices.

Madam Speaker: Indeed, the hon. member has not raised a question of privilege but rather a matter of security which is under my responsibility. I am most surprised at the facts which the hon. member has related. I am sure that he is relating these facts correctly, but usually the staff at the front door or any of the doors of the House of Commons is most courteous.

Of course, we have given instructions with regard to security, that people should give their names and tell the security officers where they intend to go. We have juggled in our minds whether we would oblige any member of Parliament to send someone down to greet the people he is expecting, because that is the only way that we can ensure that these people do not go walking around and entering offices which they clearly did not want to visit at the time they presented themselves at the door. That is not a very difficult matter, but it could make the atmosphere a bit unfriendly if we had to resort to that kind of provision.

I am very surprised at the facts which the hon. member has presented and I will certainly inquire as to what exactly took place. Nobody should harass anybody in this House, but perhaps they had some reason for acting in the way they did. At any rate I will, of course, apologize to the hon. member's constituents, because I am sure like all of our constituents they want to be welcomed in Parliament.

• (1620)

ROUTINE PROCEEDINGS

[*English*]

FEDERAL-PROVINCIAL CONFERENCES

TABLING OF TELEXES TO FIRST MINISTERS CONCERNING MEETING ON CONSTITUTION

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, under the provisions of Standing Order 41(2), I wish to table copies in both official languages of telexes sent by the right hon. Prime Minister (Mr. Trudeau) to the premiers of all the provinces concerning the first ministers' meeting on the Constitution.

* * *

RESOURCES

TABLING OF DOCUMENTS RESPECTING SHARING OF REVENUES FROM EXPORTATION OF MINERALS

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, under the provisions of Standing Order 41(2), I wish to table a map being schedule C of an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve.

* * *

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ESTABLISH

Hon. John C. Munro (for the Minister of Agriculture) moved for leave to introduce Bill C-32, authorizing and otherwise relating to rights to be granted to breeders of new varieties of plants to deal in reproductive or vegetative material for their propagation.

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

* * *

SEEDS ACT

MEASURE TO AMEND

Hon. John C. Munro (for the Minister of Agriculture) moved for leave to introduce Bill C-33, to amend the Seeds Act.

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

Order Paper Questions

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 119, 189, 220, 270, 273, 327, 335, 404, 633 and 663.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

DREE—GRANTS TO INDUSTRIES—CONSTITUENCY OF LEEDS-GRENVILLE

Question No. 119—**Mr. Cossitt:**

1. Will the government consider extending the designated DREE areas to include grants to medium and major industries in the constituency of Leeds-Grenville?

2. For what reasons are Renfrew and Cornwall designated for grants to medium and major industries when Leeds-Grenville is not?

3. On what date were designated DREE areas last changed or in any way modified with respect to grants to medium and large industries?

4. Was Leeds-Grenville ever considered and, if not, for what reason?

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

1. The constituency of Leeds-Grenville is currently eligible for assistance under the Small Business Incentives program of the Eastern Ontario Subsidiary Agreement. In view of this assistance, the need for fiscal restraint and, consequently the limited development funds available, an extension of the area designated for RDIA assistance is not anticipated at this time.

2. Cornwall is not within the area currently designated for RDIA assistance. However, from April 1, 1971 to June 30, 1973, Stormont—including Cornwall, Glengarry and Prescott counties were designated under the RDIA as part of Region "C", comprising Montreal and surrounding regions. Part of Renfrew county (including the town of Renfrew) was designated for RDIA assistance on the basis of such factors as low population and employment growth, high unemployment and remoteness from metropolitan Toronto and other large market areas. In Leeds-Grenville and other parts of southern Ontario, more favourable economic conditions have generally prevailed.

3. From April 8, 1970, until December 31, 1975, Renfrew-Pembroke was designated under the DREE Act as a special area, allowing industry in the area to receive similar assistance to that provided under the RDIA program. As of January 1, 1976, the RDIA designated area was expanded to include part of Renfrew county.

4. Yes. As part of its ongoing efforts, DREE continuously monitors the economic circumstances of all regions of the province, including Leeds-Grenville. RDIA boundaries are thus reviewed, as conditions warrant, in order to ensure their continuing appropriateness.

CANADIAN NATIONAL—WEST INDIES—STEAMSHIPS LTD.

Question No. 189—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canadian National (West Indies) Steamships Ltd?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows:

1. (a) Total revenue—$42
   Net earnings—$32
   (b) Total revenue—$41
   Net earnings—$11

2. Nil to all parts.

UNEMPLOYMENT INSURANCE PAYMENTS

Question No. 220—**Mr. Herbert:**

In each of the past five years, what were the unemployment insurance payments (a) in total (b) on a per capita payment in (i) the maritime provinces (ii) Quebec (iii) Ontario (iv) the prairie provinces (v) British Columbia?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

(a) Total Unemployment Insurance Payments

($ Million)

1979	4,009.1
1978	4,538.2
1977	3,928.2
1976	3,361.6
1975	3,159.3

(b) U.I. Payments Per Capita

($)

	1979	1978	1977	1976	1975
Newfoundland	407.8	442.0	384.4	329.2	290.3
P.E.I.	353.4	373.0	319.5	270.7	224.6
Nova Scotia	227.8	257.4	231.0	185.6	157.7
New Brunswick	324.3	358.0	322.7	268.1	229.0
Quebec	241.4	270.7	236.2	201.0	174.6
Ontario	120.5	137.5	121.0	112.1	119.9
Manitoba	103.3	126.6	96.3	69.4	57.1
Saskatchewan	76.5	95.0	76.3	56.6	53.1
Alberta	60.7	73.6	60.0	47.7	48.2
B.C.	175.7	210.9	179.7	165.0	177.5
Yukon	351.9	387.1	317.5	334.9	267.6
N.W.T.	122.7	126.1	87.8	70.4	63.1
Canada	169.4	193.3	168.9	146.2	139.2

Population Statistics Source: Statistics Canada, Catalogue No. 91-201 Estimates of Population for Canada and the Provinces, June 1, 1979

● (0000)

CANADIAN PENSION COMMISSION—RELOCATION TO PRINCE EDWARD ISLAND

Question No. 270—**Mr. Herbert:**

1. Is it the government's intention to move the Canadian Pension Commission to Prince Edward Island and, if so, on what date?

2. What studies have been carried out to ascertain if there will be a communications problem if other branches in the Department of Veterans Affairs are operating in P.E.I. while the Canadian Pension Commission is in Ottawa?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes. The relocation of the Canadian Pension Commission is planned for 1983.

2. A detailed review was carried out by the various branches that operate in support of the CPC in Ottawa to ensure that all necessary requirements of CPC can be met by these branches during the period of split operations. Special emphasis was placed on areas of finance, personnel and administration as well as various methods of communication that will be required between Charlottetown and Ottawa.

CHARLOTTETOWN, P.E.I.—NUMBER OF EMPLOYEES TO BE TRANSFERRED

Question No. 273—**Mr. Herbert:**

1. How many employee positions are to be moved to Charlottetown, P.E.I. in 1980?

2. How many persons presently filling these positions have indicated their willingness to be transferred?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. One hundred and twenty-eight.

2. Forty.

DE HAVILLAND AIRCRAFT OF CANADA LTD.

Question No. 327—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of de Havilland Aircraft of Canada Limited and its subsidiaries as at March 31, 1979?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned: At March 31, 1979, there were on the de Havilland payroll: (a) 4,457 permanent employees; (b) 17 temporary and casual employees.

EMPLOYMENT AND IMMIGRATION OFFICE—DORION, QUEBEC

Question No. 335—**Mr. Herbert:**

1. (a) What is the present location of the employment and immigration office in Dorion, Quebec (b) is it intended to find new quarters for the office and, if so (i) by whom are plans being prepared (ii) has a site been purchased (iii) on what date is it anticipated that construction will start?

2. Will the existing premises be used for another purpose or be offered for sale?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

Order Paper Questions

1. (a) Canada Employment Centre
Government of Canada Building
35 St. Charles, Dorion, Quebec

(b) No;

(b)(i) Nil;

(ii) Nil;

(iii) Nil.

2. No.

TREASURY BOARD—NUMBER OF PUBLIC SERVANTS

Question No. 404—**Mr. Herbert:**

How many public servants were under the general direction of the Treasury Board on March 31 (a) 1977 (b) 1978 (c) 1979 (d) 1980?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): The Treasury Board is the employer for departments and agencies listed under schedule I, part I of the Public Service Staff Relations Act. It also has control over a portion of the organizations listed under part II of the act. The number of public servants under the general direction of Treasury Board, on strength as of March of each year was thus:

		1977	1978	1979	1980
I.	Public Service Staff Relations Act, schedule I, part I:				
	(a) Employees on strength for an indeterminate period	263,403	264,039	259,557	256,469
	(b) Employees on strength on a seasonal basis	1,462	1,433	1,237	1,400
	(c) Employees on strength for a specified period	44,264	52,015	40,805	36,357
	Sub-total, schedule I, part I	309,129	317,487	301,599	294,226
II.	Public Service Staff Relations Act, schedule I, part II under the general direction of Treasury Board	4,602	5,195	5,889	5,765
	Total, public servants under the general direction of the Treasury Board	313,731	322,682	307,488	299,991

FISHERIES AND OCEANS—PUBLIC RELATIONS

Question No. 633—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Fisheries and Oceans?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): As of April 30, 1980, the number of persons engaged in public relations, publicity, or media relations, including support staff, is: DFO headquarters: 24; Regional offices: 16; Total 40.

NATIONAL HEALTH AND WELFARE—CRISIS CENTRES

Question No. 663—**Mr. Howie:**

From January 1, 1977 to date, have any studies been done for the Department of National Health and Welfare by outside consultants regarding crisis centres?

Hon. Monique Bégin (Minister of National Health and Welfare): No.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed from Wednesday, May 28, consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Yurko (Edmonton East): Madam Speaker, it always gives me great pleasure to rise in my place in this House and debate the business of the House. Today I have particular pleasure in debating Bill C-30, the borrowing bill—a bill in which the government of Canada is asking for the authority to borrow $12 billion for the current year.

We have heard some eloquent debates in this House. One was a two-hour debate by the former minister of finance, "Honest John Crosbie," who put forth a most magnificant case in regard to the need to debate this bill in depth. Then we heard a dissertation from "Slippery Allan," as I call him, the Minister of Finance (Mr. MacEachen), who spoke for a bare few minutes on a bill of great import. In watching him I was quite certain he would be a fine curler. He is an excellent sweeper, he can sure curl around a stone or an issue, and he can talk forever without saying anything.

The minister is offering this House an economic statement pointing to more of the same that has been handed out by the Liberal government during the decade of the seventies. What were the over-all economic directions of the Liberal government during the seventies? First, uncontrolled government growth, literally a form of *de facto* socialism. Second, a major preoccupation with the redistribution of wealth through a federal bureaucratic empire of enormous proportions. Third, the creation of debt to unload upon future generations—the creation of debt at enormous rates. Until this year, the debt creation, as far as I understand it, is in the order of $60 billion. Fourth, the promotion of consumption rather than production through every process known to governments. A vicious cycle of credit and the printing of paper money, therefore laying down the foundations of recurring inflation. Fifth, a massive subjugation economically of municipal and provincial governments to the bureaucratic direction of a centralized, political will.

It is this package of policies pushed to unreasonable levels that is tearing this nation apart. It is the federal government's unlimited and uncontrolled spending policies in provincial jurisdictions that is the primary cause of the constitutional difficulties that now exist in this country.

I want to touch very briefly on one or two of these five policy points. Just a little over a year ago all governments in Canada spent approximately 42 per cent of the gross national product of the nation. What that means is that government at the three levels took from the people 42 cents of every dollar they earned, and they spent those dollars in accordance with their priorities.

Interestingly enough, in 1968 the provincial and municipal governments spent 46 per cent of the total spending of governments in Canada and the federal government spent 54 per cent. A decade later this was reversed and the provincial and municipal governments in Canada spent 53 per cent of total government expenditures and the federal government spent 47 per cent.

What this shows is a terrible desire by municipalities and provincial governments to control their own economic destiny. What it shows is that the federal government has been the catalyst to push growth at the provincial level and the municipal level to counteract the growth of the federal government which was running away during the seventies.

Rather interestingly, in this new Parliament what has now been given to us in the economic statement is an indication that the federal level of spending in relation to the gross national product will grow by 2 per cent in one year, from approximately 20 per cent of the gross national product to 22 per cent of the gross national product. As hon. members know, federal government expenditures are to be in the order of $60 billion in 1980. This is literally about 22 per cent of the gross national product of this nation. This is a startling 2 per cent increase in just one year.

• (1630)

If anyone could put any type of term to it, it is galloping socialism. This is being done through borrowings, not through the collection of taxes, because the taxes will only supply $45 billion, and somewhere between $14 billion and $15 billion will be borrowings. This is catastrophic for the long term. Who is going to pay this debt? Who is asked to pay this debt on behalf of the nation? What is tearing this country apart is the absolute concentration by the federal government on the redistribution of the wealth, potential and opportunity of this nation.

Western Canada is now looking desperately for manpower. The Minister of Employment and Immigration (Mr. Axworthy) went out to the west and indicated on his return here the vital need for technicians and people to go to western Canada to fuel the western Canadian economy.

Why are people not going to western Canada? Because they are being kept immobile through handouts in the rest of the nation. These handouts are primarily given by the federal government. This is an exciting nation because of size, because of potential and resources. The young people in this nation have all this potential before them, but they are not seeking opportunity in this nation where there is opportunity. I ask the question again, why are they not doing that? Has this government had the determination, the honesty and the courage to look at that very question and answer it in this House? The federal government has used its spending power to keep the young entrenched, doing nothing, being unproductive and on welfare in part of the nation where there is no opportunity.

Let me speak very briefly about the accumulation of federal debt. The federal debt has risen to dangerous proportions. It is in excess of $60 billion and is rising this year by some $14 billion. That is about $3,500 of debt per capita. It is rising at some $700 per capita per year. Indeed, approximately 15 per cent of the federal budget now services debt.

A family of four existing in this nation effectively has a debt associated with it of $15,000. A family of four has to pay the interest on the debt of this nation. It has to pay interest on a debt of $15,000 incurred by the federal government, apart from having to pay its mortgage and the interest on the mortgage. This is catastrophic.

I have not had the opportunity to review conditions in every other nation, but I can say categorically that no nation in this world, with the potential, the wealth and the resources it has, is in any type of situation that this nation is in today. There has been absolute and abject mismanagement over a decade of irresponsibility by a Liberal government that should have been dethroned long ago.

An hon. Member: Look who is talking.

Mr. Yurko: Some of these people on the other side who ruined this country should have been brought before the justice of the law.

Mr. Evans: Order.

Mr. Yurko: To account for their mismanagement of this country, they should have been brought before the law of the people of Canada.

Some hon. Members: Oh, oh!

An hon. Member: They didn't keep you there.

Mr. Yurko: I have got them excited now, Mr. Speaker. I thought they were going to be silent, but it is obvious that they are alive over there.

Mr. Chénier: Because we are hearing untruths.

Mr. Yurko: One has to be appalled, and I for one am, by the irresponsibility of government during the decade of the seventies.

We managed to get into government by the people rejecting the Liberal government in 1979, and we tried to deal with the economic problems of this nation honestly, forthrightly, with pragmatism, knowing that it was going to be difficult but that hard decisions had to be made. So we specifically set out to control the mounting debt of Canada as we are moving toward national bankruptcy. Second, we set out to contain the growth of the federal government and make it more effective and responsible. Third, we established a comprehensive energy policy needed to make Canada self-sufficient in oil by 1990, and establishing a sound strategy for Canadian energy self-sufficiency for the next century. Fourth, we established a small business incentive growth policy, coupled with major employment stimulation processes, particularly for young Canadians, to tide this nation through a most difficult period which we knew was coming. Some people termed it short-term pain for long-term gain. It did not help us during the election of February 18, but it was an honest approach taken with the greatest degree of courage.

I say that the type of attitude being exemplified in this House now—a week ago, a month ago—by a minister who gave an economic statement without the courage to come out with a budget at the earliest opportunity, means that there is no one who is going to bankrupt this nation faster than that government over there. I wish it would come to its senses.

I want to be more specific on energy. Most of my life has been spent dealing with energy of one form or another—at least most of my professional life. Therefore, I feel I have an appreciation of some aspects of energy.

I want to talk briefly about the flow of capital from rising energy prices and the direction it would take in this nation, and I would like to indicate why it should or should not take that direction. Second, what I want to talk about rather specifically is the constitutional prerogatives of provincial resource price-setting. In 1974 I was president of the Canadian Council of Resources and Environment Ministers of Canada. At the first conference I sponsored as president, I asked for a detailed examination of the constitutional prerogatives of a province in connection with its resources; in other words, what it can do and what it cannot do, when it can do it and so forth. We produced a magnificent report which I would like to refer to periodically through my speech this afternoon.

First of all, I would like to speak a little bit about the supply of conventional oil in the world and the supply of conventional oil in Canada. Much of the conventional oil that exists in the world now was discovered in a different economic time-frame. It was discovered under a low-cost regime, and so we have established throughout the world a series of conventional oil reservoirs.

I have said in the past that no one knows the value of the oil in the ground in a conventional reservoir. It is one of the most valuable commodities on this earth. No one can put a price on it, a market price if you wish, or a value because it developed over billions of years. It is a hydrocarbon of enormous value, enormous ability and flexibility in terms of its use by humanity.

● (1640)

We have now gone in the world from a position of supply and pricing to a position of conventional oil conservation. We have moved massively in that direction. They have shown wisdom in the Middle East. The prevalent wisdom of Mexico was well displayed in this House recently. They have cut exports to Canada and have not committed themselves on a long-term basis to supplying us with 100,000 barrels a day, but only 50,000. That indicates without equivocation that the conventional oil reservoirs of their nation have to be extended and the rate of production of those reservoirs has to be reduced. The value of that commodity is so great for the future that it is sheer hypocrisy, in fact almost a crime, to drain the reservoirs at the earlierst possible opportunity and at the fastest rate possible.

The same applies in Canada, particularly in Alberta. Alberta has moved from a position of price being the most important matter in connection with its conventional oil reserves, to recognizing that maintaining the capacity of its reservoirs over the longest possible period is the single most important criterion. That government has to do that because it is the will of the people of Alberta, and Alberta owns those resources.

What did Saskatchewan say? There was a most remarkable dissertation along this same line. Indeed, from here on there will be a delay in the tertiary recovery of their reservoirs and every mechanism will be used to limit production. On April 22, 1980, in the legislation of Saskatchewan, Mr. R. A. Larter asked the following question:

> Mr. Speaker, a question to the minister for Kelsey-Tisdale. In light of huge natural gas discoveries in British Columbia, and in light of what Premier Lougheed stated last night on television that the quickest way to strengthen the Canadian dollar was to export massive amounts of natural gas, is the minister now prepared to accept the fact that there is a little more natural gas than what he anticipates? Are you ready now to do more exploring in Saskatchewan and prop up this concept that there is a lot of natural gas available?

The minister replied:

> Mr. Speaker, I've indicated to the member on previous occasions that we are reviewing the policy in respect of natural gas exploration and development in the province of Saskatchewan. We do believe that we have the probability of discovering larger quantities of gas than we thought was the case 10 years ago. A lot of that assumption is based on the success that Alberta has enjoyed, and to a lesser degree, that British Columbia has enjoyed, in the last decade in proving up pools of gas. We are not so ambitious to open the gates, as I believe the member is alluding to, because of the problems which go along with that. We have Alberta in particular indicating that they have a surplus of gas for a shorter medium-term period of time, and are seeking very ambitiously, large export permits into the United States.
>
> I would suggest to the member that if we were to expand gas exploration and development in Saskatchewan, we would not want to attain that level of shorter medium-term extra capacity. Because we would like to guarantee that the pools of gas we have in the province of Saskatchewan will guarantee and give assurance to Saskatchewan consumers in years to come, that we will not be the victims of imported gas from outside this province, and pay what may well be a very heavy penalty in order to have that source of energy available to us.

I recommend this policy to the members of this House. It is a very deliberate policy in Saskatchewan to delay exploration and development so that the reserves in Saskatchewan can be maintained for that province in future years. I could go on with this topic for some time, but I want to cover a few other areas of the energy scenario, and I know time goes by quickly.

The Acting Speaker (Mr. Ethier): I have listened quite attentively to the hon. member for quite a while. I wonder if he is on the same bill. I draw to the attention of the hon. member that we are considering Bill C-30, known as the borrowing authority bill. I invite the hon. member to address his remarks to that bill.

Mr. Yurko: I have been advised by some members of this House that when the government brings in a bill for authority to borrow $12 billion to cover its debts in all areas, we have before this House for debate all areas of government activity where these borrowings are to be used. It is in that light that I am discussing this bill today. I can think of no more important matter than the question of energy. With regard to oil compensation, I understand this government may need in the area of $5 billion, and they will need it soon. There is no more fundamental matter than the energy question when discussing this bill.

I want to speak very briefly on distribution of the money. I had an opportunity to look at the gross dollar generation of the whole mining industry, which includes oil and gas. The generation of dollars in this nation from mining each year is in the order of $22 billion. Of that, about $12 billion is for oil and gas and $10 billion for minerals, building materials and other products in the mining area.

Where does this $12 billion go? With the price of energy now, this $12 billion floats primarily westward, but a substantial proportion comes back eastward through the federal government taxation system in the form of individual taxes, corporation taxes and so forth. The $12 billion that flows westward represents approximately 4.5 per cent of the gross national product of this nation. Of that, approximately 2 per cent comes back east to the rest of the nation. Therefore the net flow of capital westward from oil and gas, a resource owned by western Canada, is in the order of 2.5 per cent of the gross national product per year.

What Liberal government can say that is too great a flow of dollars westward, or to any other region of this nation in order to upgrade it? I would like any member of this House to tell me that is too much per year when in fact this nation has such dynamic potential.

Let me go further and refer to the speech made the other night by the Minister of Energy, Mines and Resources (Mr. Lalonde). There is a great deal of foolishness in that speech. I am surprised that a minister of his calibre would make such foolish statements as he did in that speech.

Mr. Darling: Not foolish, sinister.

Mr. Yurko: He obviously had an objective. It was not putting the case for a united Canada. I quote from his speech:

> If we were to go to 85 per cent of the international price tomorrow, and assuming no further international oil price increases, we would increase the revenues flowing to industry, provinces and the federal government, assuming gas prices rose in tandem with oil prices, by about $14 billion.

The $14 billion represents 4.5 per cent of the gross national product of this nation. Is that too much? Is that too high in

terms of boosting the capacity of the regions? Why do the young people of the rest of the nation not go to where there is all this opportunity? I did in 1950 when I graduated in Alberta. There was no opportunity there at all. There were 64 of us who graduated as chemical engineers. Sixty-two came to Ontario to find opportunity. We were mobile in this nation. It was the greatest thing I ever did in my life.

I spent six years in Ontario, traversed the United States and then went back west again. I made the circuit three times. It is an exhilarating experience for young people. It is a tremendously unifying force for this nation. It brings all regions together. Young people get to know this nation from one end to the other. The idea of taking 42 per cent of the wealth of this nation, and trying to distribute it from the centre to fix people where they are without opportunity is ludicrous. I have never any difficulty with equalization on a health basis and for providing assistance to senior citizens wherever they may be across the nation, but I have a great deal of difficulty with this administration from the centre trying to collect funds from all over the country to maintain the immobility of young, dramatic people who should be developing the west, the north and the eastern part of this land. That is the fundamental reason this nation is creaking and almost falling apart. That is the fundamental reason this nation is tearing itself apart—because the federal government has used its unlimited spending power to create a situation which cannot sustain itself; all it does is go into debt more every year to sustain this unnatural and insupportable economic situation.

● (1650)

Mr. Harquail: Sad.

Mr. Yurko: It is a crime. It is a crime against the well-being of this nation. It is a crime against Canadians. I wish they would get some good advice on the other side and recognize that while the federal government should, indeed, have umbrella powers to bind confederation, it should not get itself involved in every corner and nook of this country with its bureaucratic regime feeding dollars, and with DREE trying to prop up this situation, when people could be used in some other part of the nation.

Mr. Speaker, I shall speak briefly on the oil price scenario, but before I do so I should like to quote a couple of statements by the minister of energy, that eloquent man who feels he is an expert in the energy area. This is what he said:

> Let me turn for a moment to natural gas. It too must rise, we are told, because Alberta has depleting resources and will soon run out of revenue. At the same time we are told that we should export more gas because we have growing supplies and will continue to have growing supplies for as far into the future as one would care to look.
>
> Again, I am baffled by the logic. Should Canadians pay another $4 billion a year for natural gas even though we have a huge surplus of it and growing exports? Remember, of the $4 billion about $500 million would go to the federal government, about $1.5 billion to the Alberta government and $2 billion to the industry.

Does the federal government not realize that it collects income taxes from all the wealth which goes to pay wages in the west and brings it back here at the rate of 33 per cent or 40 per cent or 25 per cent of all those wages that are paid? Do they not realize that it comes right back in this direction through equipment purchases, income tax, corporate taxes and so forth?

Then the minister says:

> I think we should be honest with each other. The position of the Alberta government has nothing to do with security of supply. It wants a higher price for natural gas because it believes that it has a right to higher revenues.

Mr. Speaker, I was part of a government which set drilling incentives in Alberta. The industry was drying up. There were no federal incentives and the Alberta government ended up paying 95 per cent of the cost of every dry hole drilled in the province and beyond. It is beyond my understanding that a minister in this government could suggest in a speech that the Alberta government has had nothing to do with gas reserves in the province of Alberta. That is absolutely false.

I see my time is running out, Mr. Speaker. I still have much to say, but I will try to get through somehow. Here is a further quotation from the minister of energy:

> We have two opposing political thrusts in this country: regionalism and interdependence. We understand and support the desire of people in outlying regions to gain more control over their lives. I think it is due; many would say overdue. But provinces can't afford to pursue autonomy by undermining interdependence.
>
> Interdependence—pooling of strengths—is what makes this nation great, why the whole adds up to more than the sum of its parts—

I think I was one of the first to use that statement at a Man and Resources conference some few years ago. How can a minister make statements of the kind he did, Mr. Speaker? Regionalism and interdependence are not incompatible. They are mutually supportive in every way. Strong regions provide interdependence in this country through the equalization process, through the taxation process. How could a minister of the Crown, supposedly an intelligent minister, suggest that these two processes are incompatible? I can only think that the minister is massively confused and fails to recognize the nature of this country; he has been so blinded by the Quebec referendum. It is sad. What else does he say? I quote:

> We just came out of a referendum in which we fought hard for a united Canada. We defeated those who wanted political sovereignty with economic association. We did not carry out this difficult battle to get economic sovereignty with political association.

The minister is using terms foolishly, like a fool, like an arrogant school debater trying to create discord and division. What is economic sovereignty? It is inseparable from political sovereignty. The two are literally the same thing. Economic sovereignty means the collection and levying of all taxes by the sovereign state, as Quebec indicated in its program for sovereignty-association. What else does it mean? It means the state shall set all its commodity prices, import taxes, export taxes, excise taxes and so on. It means the conduct of all national and international negotiations in connection with the pricing of commodities. It means the printing of its own money, the establishment of its own banks and its own credit. That is what economic sovereignty means. Mr. Speaker, I ask the minister to get up in an honest way and tell the members

of this House and the people of Canada which province is asking for economic sovereignty in this nation.

The only thing the provinces are asking for in this nation is respect for the constitutional prerogatives they have in connection with developing, using and marketing their resources.

That is what the provinces are asking for economically—respect for the constitution which is now in place, not a new one but respect for constitutional provisions which already exist. The provinces want the responsibilities they have under the constitution of working toward the goal of as much autonomy and as much self-sufficiency within their regions as possible though still under the umbrella of the magnificent federation we have created in Canada. Crazy statements such as the minister of energy made on the eve of constitutional negotiation—

The Acting Speaker (Mr. Ethier): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley East (Mr. Patterson)—Administration of Justice—Safety of persons living in proximity to penitentiaries· the hon. member for Parkdale-High Park (Mr. Flis)—Air Canada—Request retirement age of pilots be extended; the hon. member for Kamloops-Shuswap (Mr. Riis)—Small Business—Plans to assist businessmen.

● (1700)

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

In view of the fact that there are no private bills, we will move to notices of motions for the production of papers, No. 3.

PRIVATE MEMBERS' MOTION FOR PAPERS

[*English*]

CLASSIFICATION AUDIT REPORT

Mr. Hal Herbert (Vaudreuil) moved:

That an order of the House do issue for a copy of the data base upon which the Report on the Classification Audit in the national capital area and the non-national capital area was based.

He said: Mr. Speaker, the object of the motion is to try as best we can to obtain a little more information on what is happening in the public service in the area of classification. I have been trying for some time to get progress reports over the years either by seeking papers or by asking questions, and this motion is one of several that I have put on the order paper dealing with this subject.

Back in 1979 Mr. Lincoln Alexander—and I can use his name today—the hon. member who left us yesterday, put a question on the order paper, No. 329, dealing with job classification in the public service. Some time later in that same session question No. 600, also dealing with job classification appeared. When this gentleman became a member of the cabinet in the government of last year, I thought that since he was so interested in the subject he might be willing to produce some documents. I produced some motions for the production of papers which essentially were worded along the same lines as his questions on the order paper. However, even from this new government last year which had indicated its intention to be very generous in producing information, nothing was forthcoming.

Of course, what we want, not so much the documents themselves, is some idea of what progress we may or may not be making as a result of the studies, papers and books that are produced on various subjects with the intention of improving efficiency in the public service.

The Treasury Board secretariat has carried out cyclical audits since delegation of the authority to classify positions up to SX-2 was given to departments and agencies some six or seven years ago. Although this activity provided information about the administration of various aspects of the system, the subjective selection of positions used did not allow quantitative statements about classification for a particular department or the whole public service.

Therefore, in 1976 a project known as "Classification Evaluation" was established with three stages, and the report referred to in the motion deals with stage one, which was to develop and apply a scientific sampling scheme that would enable statements to be made with confidence about the quality of the output of the classification system.

For the survey design a sampling method was selected. The public service is divided into departments and agencies, and within each department positions are divided into occupational groups, and each group is divided into levels. The disadvantage is that proportional sampling applies the same sample ratio, in this case one out of every 69 positions, to all strata in the

population. As a result, for small departments the method generated such a small sample that it did not provide a meaningful estimate.

The sample taken outside the national capital area represented 1.5 per cent of the public service. The postal operations groups were excluded because the sample would have been dominated by those large groups. Thus the figures I mention are from some 135,000 public servants outside the national capital area.

The evaluation process consisted of a comparison of performed duties with the classification standard, a comparison of the written position description with the classification standard, and a comparison of the performed duties with the written position description.

The results of this study were the first data available and provide a base for future comparative studies. Over one position in six of those examined was judged to be misclassified, and five of the six were overclassified, and that, of course, means overpaid. Let me quote from the report:

> The sample data indicate that throughout the public service there is a distinct tendency to overclassify. This suggests that misclassification does not occur by a simple erroneous application of the classification standard which would likely result in about the same number of positions overclassified as underclassified. It appears that there are motivational and environmental factors within the classification program which encourage overclassification.

The incumbent is not performing the duties described in the job description and a significant cause for misclassification is the misapplication of the classification standard. In this study the possible net salary cost of misclassification was estimated at $43,600,000 per annum.

On February 26, 1976, a report was tabled by me in this House resulting from some 18 months work in what was popularly known as the Finkelman committee, or more properly the Special Joint Committee on Employer-Employee Relations in the Public Service. Under the heading "Classification", eight recommendations are listed. Has any action been taken in the intervening four years?

The report on the classification audit is a cross section of the public service excepting, as it does, the postal groups. Thus we can get no impression of the effectiveness of manuals issued for selective groups. I have in my hands one of these that runs to some 200 pages, or so, which is entitled "Classification and Selection Standard, Scientific Regulation, Scientific and Professional Category". It cost, when it was issued in October 1974, $9.75, obtainable from the Department of Supply and Services. I will read two short paragraphs, if I may:

> This standard describes the plan to be used in classifying and evaluating positions in the Scientific Regulation Group, and in selecting personnel for appointment to them.

The second paragraph reads:

> The Scientific and Professional Category is composed of occupational groups engaged in the application of the comprehensive body of knowledge acquired through university graduation in fields specified in the group definitions, and of professional groups in which membership in Canada is generally controlled by legally established licensing bodies.

Of course, the point here is that this is quite a sizeable document for what is quite a small segment of the public service. I have no idea whether similar documents are produced for every sector, but that in itself is a pretty good base on which to be working. That was issued in 1974. This first report to which I am referring, the one that appears in the motion, is now some two years old.

In February of 1979, just over a year ago, the then president of the treasury board produced an impressive document entitled "Program Performance Measurements". I wonder, and I think I have a right to wonder, just how you measure the performance of a person who is both overclassified and overpaid.

● (1710)

In March of 1979, the final report of the royal commission on financial management and accountability was issued. This report, commonly known as the Lambert commission report, is a most interesting document into which not only was a tremendous amount of work put but in regard to which there has been a considerable number of seminars and studies conducted since its issuance. Of course, it deals in part with the subject of classification which we are debating this afternoon.

The question—and it is the same question I am putting all the time—is: What action has been taken since the issuance of the report? I should refer also to the fact that that report runs to some 586 pages and costs $8.50 per book, whether it is the French or English edition. In September of last year we received a 259 page report entitled "The Report of the Special Committee on the Review of Personnel Management and the Merit Principle." This report, popularly known as the D'Avignon report, runs to some 291 pages in French and was issued at a cost of $10.

When I put motions such as this on the order paper, I am trying to underline a point which I have been trying to underline since I came here some eight years ago. I would like the government to tell us just what progress has been made, at what stage we are at, what has happened since the issuance of the report which is the subject of the motion, what has been done with all the recommendations in the Finkelman report to which I referred earlier and which was tabled several years ago, and on which personally I have heard nothing regarding the progress and implementation of the many recommendations in it, recommendations, incidentally, which I can say were almost unanimous.

I think that hon. members present in the House would not dispute my saying that that report was almost unanimous. But we have heard nothing and there has been no subsequent report and no subsequent reference, and therefore no subsequent study on implementation. I can say that the same thing applies to the Lambert commission report and the D'Avignon report.

My motion is therefore a plea to the government to look at some means by which we can be better informed. May I suggest that one of the best ways in which we could be informed is by making it possible for us to study the subject in committee? Of course, we need a reference. There are many

other matters being referred to committee at the present time, but surely efficiency in the public service should be a priority.

The motion was turned down by the government because the wording might not have been precisely correct. After all, we do not always know enough to know precisely what to ask for, and as a result the motion was turned down. I am not taking particular issue with that; I am only saying that it did give me the opportunity to say a few words on the subject of classification in the public service. I should like to include in that general plea a request that an opportunity be given for discussion of whatever progress might or might not have been made as a result of the production of these numerous reports to which I have referred in my remarks.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I would like to thank the hon. member for Vaudreuil (Mr. Herbert) for bringing this matter forward for debate, notwithstanding the fact that I am sure he shares with me some disappointment in not being able to have the specifics for which he originally made his request. He has indicated his understanding that the base which he sought does not exist. I share with him the interest he has in the entire question of classification, as I am sure many hon. members in this House do, particularly those who have sat on the committees to which he referred, in particular the Finkelman committee upon which both he and I and other members whom I see present in the House have sat and have laboured so diligently.

Notwithstanding the fact that that information does not exist—and the hon. member was so advised—it is good that we at least discuss the subject matter today, in order perhaps that we get on the record and clarify for the sake of hon. members here today how far we have been able to progress, and indeed what is the current state of conditions with respect to the concept of classifications.

I should like to refer as well to the three reports which the hon. member has mentioned—the Lambert commission report, the D'Avignon report and the Finkelman report—and I would like to advise him that all of these reports are currently under intensive study at the level of the President of the Treasury Board (Mr. Johnston). He is requesting on a bi-weekly basis to be updated with respect to those studies so that implementation can be achieved at a fairly early date of at least some of the recommendations that have been made in those reports so that there can be some results obtained from the work that went into them.

The present classification system in the Public Service of Canada was developed in accordance with recommendations made in 1965 by the preparatory committee on collective bargaining. At that time, the committee concluded that a new classification system should have the following objectives.

The first objective is to bring together civil servants and prevailing rate employees under one system; second, to be flexible enough to meet both the demands of the labour market and those of internal relativity; third, to provide a logical framework for the determination of bargaining units and the negotiation of pay rates; fourth, to permit different approaches to wage and salary administration and to personnel administration generally, for different types of employees; fifth, to be conducive to effective career planning and development and to provide strong incentives to superior performance; and sixth, to permit extensive delegation to departments of the authority to classify positions.

The preparatory committee concluded that these objectives could be achieved by developing a system based on the principle of occupational grouping. The resulting system, which is in use now, was designed to have the following features.

The first is to provide a logical framework for comparing and ranking positions within an occupational group; the second, to provide a means by which a series of positions within a particular group can be compared to each other and to similar occupations in the non-federal public service and the private sector for the purposes of establishing salary relativity for collective bargaining; the third, to permit the establishment of a basis on which the employer is able to attract and retain employees, that is, against which appropriate rates of remuneration can be established for the specific job responsibilities, and periodically revised; the fourth, to permit the identification of the skills, aptitudes and abilities required of the incumbent in a position; the fifth, to permit the establishment of a career structure for clusters of employees; the sixth, to provide the means by which the employer, the employee and the bargaining agent can achieve a common understanding of what management wants done and what is therefore expected of the employee; and the seventh, to provide the means by which the over-all organizational role or objective can be divided into individual position responsibilities.

While the classification system was designed to have the foregoing features, in itself it is intended to do nothing more than establish the basic level of responsibility for the duties of a position and the relativity, within an occupational group, of one position to another.

● (1720)

At present, occupations are divided into six broad categories, with 183 groups and subgroups within these categories. The occupational category is a family of occupations related in broad terms by the nature of the functions fulfilled and by the extent of academic preparation needed by people engaged in these occupations.

The six occupational categories to which I referred earlier are as follows. The first is the occupational category which includes the groups in which manual and related work of an unskilled, semi-skilled or a skilled nature is performed and supervised.

The second is the administrative support category, including the groups in which the preparation, transferring, systematizing and maintenance of records, reports and communications, or the direct application of rules and regulations, or the supervision of these functions are performed.

The third is the technical category, including groups in which specialized techniques are performed that require highly

developed skills and a defined minimum of secondary school education.

The fourth is the administrative and foreign service category, including the groups engaged in planning, execution, conduct and control of programs, including those directed toward the public and programs of internal management.

The fifth is the scientific and professional category composed of groups in which specialized qualifications attained in university or professional institutions and specific to each occupational group are required.

Finally, the executive category is composed of groups engaged in senior managerial and policy-making responsibilities, or in tasks calling for exceptionally high standards of performance in the development and execution of policy, or in the introduction of new or improved administrative processes.

Classification is basically a judgment process by which a rank order—for example a relative worth—of a series of positions is established. In a small, simple organization, this ranking may be based on nothing more than the perception of the manager. At the other extreme, such as in the case of the public service, where classification authority is extensively delegated and the classification systems cover an extremely large and diverse work force, a highly sophisticated system is obviously required.

Therefore, public service classification standards exist to ensure that judgments are based on common and consistent criteria, and that the relative worth of a position can be established not only in relation to other positions in a group within the organization or department, but also in relation to positions in the same group in other departments and agencies.

There are four basic types of evaluation plans currently in use in the federal public service. It would probably do us some service to explore, at least briefly, those four groups. The first is the ranking system. These types of evaluation plans are used where there is a high degree of homogeneity in an occupational group and a limited number of different types of work situations. Usually there is already an established and understood job hierarchy in such occupations. An example of this type might be the law group. The second is the level description which is a refinement of the ranking system. It is used when most of the same conditions as in the ranking system apply but a greater variety of work situations exist. By way of example one could look at the engineering subgroup.

The third is the so-called predominant factor system. This type of evaluation plan is used when an occupational group has common characteristics, but a variety of work situations exist which cannot be easily related to each other on the basis of a direct job to job comparison. An example of this type might be the commerce group.

Finally, the point rating plan. This type of evaluation plan is used when a high degree of heterogeneity exists among jobs in the same occupations to the extent that neither qualifications nor work situations can be compared easily one with the other. An example of this would be program administration.

Classification Audit

The classification system I have been describing has now been in use for 13 years, and from time to time in recent years the question has been raised as to whether it is still appropriate for the 1980s or whether it should be changed from one based on occupational groups to one based on departments, or to other approaches such as a classification index or centralized classification system.

Under a departmental system, one or more departmental groups would be established which could recognize departmental relativities but would ignore interdepartmental relativities. A similar system existed prior to 1965. However, the present public service classification system is based on the premise that most jobs are similar across the service and there are very few occupational groups which are unique to individual departments. The current approach encourages and facilitates interdepartmental mobility.

A departmental system would solve the problem of intradepartmental relativities, but would not lead to over-all improvement. The extensive administrative exercise required to make such a transition would be traumatic, while the cost of such a change-over is prohibitive. The system would introduce equity problems and would require changes in the Public Service Staff Relations Act and a restructuring of the bargaining units.

The provinces have a variety of systems and practices depending on the size and complexity of their public service work force. Where collective bargaining is permitted, there are fewer bargaining units than are found in the federal public service. As well, classification delegation is far more restricted. Generally, according to provincial authorities, control problems exist wherever classification delegation is permitted.

In the Canadian private sector, classification systems range from ones which are far simpler than those of the federal public service to ones which are equally complex. The degree of complexity generally increases with the size of the enterprise and its geographical dispersion. For example, in the grain industry there is a high degree of consistency between companies and the classification system is very simple.

In a number of companies, for jobs which would be allocated to groups in our operational and technical categories, no formal classification plan exists and job descriptions are very basic. Again I offer as an example the electrician whose job classification is to supervise all electrical work, to assign staff their duties and to perform electrical-related work as required.

At the other extreme, the steel industry uses a system, the co-operative wage study evaluation system or CWS, covering thousands of plants and office workers in the United States and Canada. Two classification plans, a 12-factor plan for blue collar workers and a seven-factor plan for office workers, are used. Despite access to a grievance procedure, including provision for final and binding arbitration in the event that union-management agreement is not reached and revisions that have been periodically incorporated in the 35-year history of this old plan, steel unions have recently gone on record as considering that significant modifications are required to the CWS classification plan.

In the private sector there is usually a distinct split between managers and others, whereas in the public service classification plans a complete spectrum of work from most junior to intermediate or senior management level is covered. As well, our plans, except for senior executives or the SXs as they are called and personnel administration, the PE positions, normally cover both unionized and excluded employees. Private sector ones do not and the demarcation is much more distinct. Management levels in significant private sector organizations are usually covered by direct or partial reference to compensation systems developed by consultant organizations.

Generally in the private sector both personnel administration and classification are highly centralized. Where there is a measure of delegation, this is usually exercised under tight guidelines which leave very little room for discretion on the part of the manager. In effect, the manager establishes a position by selecting one of a series of job descriptions that has been developed at the corporate level. Because the diversity of work and programs in the public service rarely exists within one company in the private sector, more centralized and straightforward approaches to classification are possible in the private sector.

In the United States, at the federal level the classification system, commonly known as the GS system, closely approximates our class and grade system which existed prior to the introduction of collective bargaining. There are a large number of series and grades in existence for the clerical through officer classes of work. These grades in turn are assigned to one of some 18 GS pay levels. Thus, a biologist, a chemist and an administrative officer, although classified in their own distinct classification series, could all be paid in the same GS pay level. The introduction of a similar system in the Canadian federal public service would require a revamping of the entire existing bargaining unit structure to allow the negotiation of a unified rate structure for all occupational groups.

Another difference in the American system is that while delegation is permitted, collective bargaining is restricted or prohibited. While the pay system is simpler, there are a number of problems in the classification area and studies have been under way to reform the system.

● (1730)

Some hon. Members: Hear, hear!

Mr. Daudlin: I am glad that hon. members are happy to see that the studies are under way. I commenced my speech by indicating that the studies are under way. As any good teacher would do, having started with the point, I am reinforcing the point through the middle of the speech and I will conclude with the same point.

As is evident from the foregoing, the current American classification system and classification in the private sector operate in a significantly different and highly varied arena. The systems used range from those which would be totally incompatible with our organizational structure to ones which are comparable and, except for the cosmetic differences, essentially the same.

In conclusion, I have endeavoured to describe the particulars of the current classification system in the public service. As I have indicated, it is a complex system, but I assure hon. members that the classification policies and procedures are under constant review to maintain a system that is fair to both employees and taxpayers.

The President of the Treasury Board, I believe, has indicated in this House and, therefore, publicly, and privately to many hon. members who have an interest in this topic, as has the hon. member for Vaudreuil, that he has a personal commitment to see that these three reports to which I referred earlier do not languish in the dust on the shelf, that they in fact receive a complete examination and that that examination results in some action in terms of the implementation of at least parts of those reports.

It is a commitment on the part of the President of the Treasury Board that this be done quickly and effectively, and that in fact it should be done in the context of changes in the PSSRA legislation which obviously will have to come forward. I would ask the assistance and co-operation of all members of this House to see that this matter is dealt with quickly.

I agree with the hon. member for Vaudreuil when he says that this has been a matter of long standing and that it requires that something effective be done soon in consultation not only with members of this House but with members of the public service who, obviously, are vitally interested and concerned and who will be affected by what happens.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to congratulate the hon. member for Vaudreuil (Mr. Herbert) for giving us this evening the opportunity of discussing a topic that although not of the easiest to understand, still concerns a subject of interest to at least some hon. members and also to the House generally because, in the final analysis, Parliament is responsible for the management of human resources. This question of job classification and its standards is inevitably linked with the whole question of human resource management and civil servants.

I heard the Parliamentary Secretary to the President of Treasury Board (Mr. Daudlin) indicate some of the steps that have been taken to ensure that in a few months, if not sooner, solutions will be brought to the problems pointed out by my colleague from Vaudreuil. I would remind the parliamentary secretary and his minister that we have been impatiently waiting for four years already for the results of the study made in 1976 by a joint committee of the House of Commons and the Senate on employer-employee relations in the civil service of Canada. That study which, I believe, was presided over by the hon. member for Vaudreuil some time ago recommended that classification be made negotiable and that, of course, certain conditions attach to the application of the new formula.

Job classification is, put simply, the first step toward filling a position. The manager must, in fact, determine the parameters of the job, evaluate the work to be performed and, after analysis, locate that position at the appropriate level in the general classification scale. The level of classification having been determinated, the Civil Service Commission is then asked to set the selection standards. So, on one hand the employer has the exclusive right to determine the classification standards, the work to be done. The employer decides what will happen. On the other hand, the Public Service Commission must by law choose the candidate who seems best qualified to fill the position. Therefore, on one hand we have the employer who must identify the work to be done and on the other hand we have an agency which must find the person best suited for the work.

As we can see, classification represents one important part of the management of our human resources in the civil service. According to the law now in force, the employer unilaterally decides on the classification standards, though ordinarily a consultation process takes place between negotiating agents. Normally, before applying or changing any standard, the Treasury Board consults with the negotiating agents.

In the public sector, as my colleague the parliamentary secretary to the minister has mentioned, it is different, even in the United States. Four years ago I thought we were slowly on the way to adopting a much more modern system, that the employer, although he may be completely in charge of setting the classification standards, would have understood that his task was an integral part of personnel management and that if classification meant money—if I hold a senior position, I am well paid and if the salary is negotiable—it necessarily follows that classification should also be negotiable. I negotiate with respect to salary so I should therefore negotiate with respect to classification.

This is what the employer-employee relations committee which met in 1974, 1975 and 1976 recommended; and I will simply read an excerpt for hon. members because this document has gathered a lot of dust in the last four years. Its recommendations were never followed up and I would simply like to remind hon. members of what the House and Senate committee recommended. I quote from page 4721:

> Your committee is of the opinion that the law should provide for some extension of the scope of bargaining so as to include classification standards, and recommends as follows:
>
> 34. That, having regard to the established jurisdiction of bargaining agents in the public service, bargaining classification standards be interpreted to mean the determination of the relative worth of jobs within an occupational group.
>
> 35. That provision be made in the law for the bargaining of classification standards following the three-year period after promulgation.
>
> 36. That collective agreements incorporating classification standards be treated as "special agreements having their own duration".

Classification Audit

> 37. That in accordance with regulations made by the Public Service Staff Relations Board, disputes arising in negotiations and involving the development or redevelopment of a classification standard be subject to reference to and arbitration by the Board.
>
> 38. That the provisions of the act relating to the appointment of conciliation boards or conciliators not apply in cases of disputes arising out of the negotiations of classification standards, but that the board be empowered to appoint a mediator.
>
> 39. That resort to strike or lockout to resolve classification disputes be prohibited.
>
> 40. That arbitration of the pay plan attached to a classification standard be dealt with by the Public Service Staff Relations Board only with the consent of both parties.

● (1740)

As we can see, Mr. Speaker, four years ago members of this House made seven recommendations on how, in a clear and precise manner and step by step, standards of classification could become negotiable just as salaries and other working conditions are negotiable. This brings us back to the problem raised by the hon. member for Vaudreuil. Four years ago it was realized, according to the report under study today and which is the basis for this motion for the production of papers, that the issue of classification audit in the public service posed certain problems. That report indicated certain positions were overclassified or underclassified, overpaid or underpaid. And I remember at that time, four years ago, that document was alluded to and it was said once again that civil servants receive more money than they deserve and do work that bring them working conditions and salaries that far exceed what they are worth. Mr. Macdonell, the Auditor General, recently told us that federal civil servants were for a large part unable to do their work with the same efficiency and effectiveness as the private sector. We were told that 50,000 federal civil servants could do the job as effectively as 36,000 comparable workers in the private sector. And that was used to hit again civil servants over the head and tell them: Listen, you are overpaid, there is not enough strictness to prevent those abuses. And the press jumped on that.

I must say that classification is determined by the employer, who is also responsible for personnel management. And when one talks about the efficiency of federal civil servants, one should not forget that it is management, and in the final analysis the agencies themselves, and perhaps this Parliament, that is responsible for that. Because we did not make sure we had the controls we needed, we did not make sure for many years we had in place a necessary approach to management so the managers could administer their departments effectively.

And then the civil servant gets blamed—that happened four years ago when the report on classification was released, and again recently when the Auditor General acted on a very doubtful basis. Mr. Speaker, 160 civil servants were extrapolated on 50,000, and that is what the Auditor General based himself on to conclude there was a lack of effectiveness and efficiency in the public service. What the hon. member for Vaudreuil sought is to get—

[*English*]

We are told that the data behind this study is unavailable. I accept that. Possibly it did not exist. I do not know, but somebody made a statement that 17.8 per cent of public servants in the national capital area were overclassified, and somebody made a statement also that outside the national capital area it was a lower percentage than the national capital area but, nevertheless, an important percentage were overclassified. In both instances I claim this is not the fault of the public servants; it is the fault of the system. On the one hand, we do not have a general policy, a philosophy of management, and on the other hand classification is the employer's exclusive responsibility. Perhaps some day we can set up a system which will give the employees and the unions a chance to negotiate classification standards.

The problem, of course, arises when we divide normal negotiations on standard things such as salary and fringe benefits like health, pensions and such things. Some of them are accepted as part of normal negotiations today. In our report, in the D'Avignon report and the Lambert report for that matter, it is suggested that the staffing process be part of another type of negotiation, separate from the normal negotiations going on regarding salaries and other conditions.

I see some difficulties with that. If the Parliamentary Secretary to the President of Treasury Board is serious, I want to warn him that there may be some difficulties inherent in double negotiations—on the one hand negotiating salaries and conditions of work and, on the other hand, negotiating staffing and classification standards. A contract signed for a period of time covering salaries and working conditions may be arrived at in the next month or so, but a contract in regard to classification standards and staffing functions may be effective only next year. The process of negotiation would then start over again and the public service and the government would find themselves negotiating pretty well all the time on two different contracts, one dealing with money and other conditions, and one dealing with classification and staffing. I would caution the parliamentary secretary about that. Two negotiations going on at parallel times could complicate the whole process and add to the complexities of the problem.

I should like to talk now about the classification question. For the past several years Treasury Board has carried out ad hoc audits of departmental classification decisions, and has taken the necessary corrective action. I accept that they cannot audit everybody all the time. They audit some medium and large departments every 18 months, and I understand that they audit small departments, boards and agencies, every 24 months. Although this provides information about the administration of various aspects of the system, the subjective selection of position used does not allow quantitative statements about classification for particular departments in the whole public service.

When these audits revealed possible problems with the classification system as a whole, it was decided to carry out a full scale audit. A full scale audit is required if we are ever to come to grips with the management philosophy—the over-all responsibility of this Parliament, this government—to make sure that we reach effective goals in administering public funds and that we obtain efficient services and value for money from our taxes.

I understand that the evaluation and analysis made in 1976 was done in consultation with Statistics Canada. The method automatically ensured that departments and occupational groups were represented in this sample. In the national capital area, one of every 33 positions was selected. That is what we call the subjective approach system. In the non-national capital area, one out of every 69 positions was selected. Here again we are taking advice from professional statisticians and trying to cope with a very challenging problem but doing it with well recognized scientific methods.

The application of the staffing method resulted in approximately 2,000 positions being selected in the national capital region, which represented approximately 4 per cent of the full-time employees who had been in the same job for over 12 months. After completion of the national capital area phase of the program, the audit was repeated for another 2,000 positions in the rest of Canada outside the national capital area, to substantiate further and expand the results of the study in the national capital area. This sample represented approximately 1.5 per cent of full-time employees outside the national capital area. The combined results of these two phases provided the assessment of the entire public service.

I am not much of a statistician, Mr. Speaker. I know nothing about statistics and have never taken such a course. I suspect, however, that we are in a situation similar to the one the Auditor General was in when he apparently used 160 public servants out of 50,000 and, from that, extrapolated the finding that they were not efficient. I do not know how acceptable that is to the ordinary person. I find it difficult to accept that we can extrapolate 160 to 50,000 and that we can extrapolate from 1.5 per cent of full-time employees outside the national capital area and say there is great difficulty here in classification standards.

● (1750)

The systematic audit of 4,000 positions in the public service showed that a significant percentage of positions were misclassified, I quote from the document, both inside and outside the national capital area. The NCA was 20 per cent, while in the non-NCA—that is the non-capital area—it was 16.7 per cent. For the public service as a whole, the percentage of misclassified positions was 17.8 per cent.

I would like to point out that there will always be some subjectivity in the administration of any classification system. There will always be some cases where the duties and responsibilities of the particular position could be at the lower end of one particular classification level, or at the upper end of a lower level. Because of this, and because of the size and nature of the classification system in the federal public service—the system covers, I understand, about 300,000 positions—there will always be some degree of misclassification. That is acceptable in as big a shop as that employing 300,000 people and it is

expected that there would be movements up and down and some misclassification. But in the order of 20 per cent—the extrapolation that has been done—if it is right, it is in dire need of change, and it is wrong, it is in great need of being readjusted. That is possibly why the hon. member for Vaudreuil wanted to see the data that produced these figures so that we could understand where the problems were.

As a result of the initial findings of the audits in the national capital area, departments were advised of the general results of the audit while the Treasury Board continued with the audit outside the national capital area. In addition, the Treasury Board undertook a thorough study of the classification system in the personnel policy branch of Treasury Board and one other operating department, as well as a detailed review of all the policies and procedures relating to classification in the public service. They reviewed the policies and procedures.

I do not want to speak too long on this subject because I know we could possibly get into the Lambert report, the D'Avignon report, and explore the recommendations in the report of the committee on the employer-employee relations in the Public Service of Canada, but I fail to understand how Treasury Board, who admit that their classification system is 17.8 per cent inefficient at this time are charged now—according to the answer given by the President of the Treasury Board to my question a few weeks ago—with reviewing the whole system. In view of the Lambert commission's report and recommendations, the Royal Commission on Financial Management and Accountability, how can the department charged exclusively with classification standards tell me that it will now review, with the hope of listening to members of Parliament on both sides of the House, when four years ago it was recommended that this thing be made negotiable?

I could relate pages of testimony of Treasury Board statements on classification where to a series of questions that we put to them with regard to classification, the answers were "no" or "not supported". And yet the same minister and the same department are being charged with a review of the classification standards based on a report which my colleague, the member for Vaudreuil, brought up which said that 20 per cent in Ottawa, or the national capital area—17 per cent nationally—are overclassified. Likewise they will not let us know on what data they are basing their statements; neither will they allow the unions to get into the data or negotiations, nor will they follow our recommendations that we made some four years ago—

The Acting Speaker (Mr. Ethier): Order, please. I have to interrupt the hon. gentleman to advise him that his allotted time has expired. He could continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I also congratulate my colleague from Vaudreuil (Mr. Herbert) who asked once again for the necessary information to carry out his duties in the House. We know that for several years the hon. member for Vaudreuil has often tried to obtain the information he needed to take some decisions for his constituents.

Having said that, Mr. Speaker, I must add that on several points I agree with my colleague the hon. member for Ottawa-Vanier (Mr. Gauthier) and also with the member for Essex-Kent (Mr. Daudlin) who spoke about declassification. However, there is an aspect of the matter with which they did not deal and it is the point that I would like to discuss.

[*English*]

Classification audits such as the national capital and the non-national capital audits which were referred to by the hon. member for Ottawa-Vanier, have found that some positions are either overclassified or underclassified, that is, the pay for the actual duties being performed is not consistent with that for similar positions elsewhere in the public service.

It is evident that corrective action is necessary in such situations. Where a position is underclassified, the employee immediately receives the benefit of the higher salary, which is just. If, and looking at the position in the first instance, we find that a man or woman because of the job they are doing is underpaid, then it is incumbent upon the employer to see to it that they are justly remunerated for the work they are doing.

In cases of overclassification, the process known as red circling is somewhat different. It is to this point that I wish to address myself. In the mid-1960s, with the introduction of the present category and group classification system, mentioned by my colleague, the hon. member for Essex-Kent, who referred to a study which was carried out in the United States, we found that the employer provided for corrective action, generally resulting in a freeze of the employee's salary for 60 or 90 days after notification of the overclassification situation. That was done unless—and this is very important—the position could be restructured to sustain the overclassified level. This freeze was to continue until the salary for the correct classification level coincided with the employee's frozen rate of pay. The employee suffered no monetary loss. My colleague from Timmins knows that from his studies and from the people working in his riding—we discussed this a little bit earlier—this was a very important aspect for them as it bore directly on the well-being of their families as well as on colleagues working in the same offices.

As I said before, the employees suffered no monetary loss. But later, to protect the red circled employees from adverse effects of increases in the cost of living, lump sum payments were instituted. In their time, these red circling provisions were at least equal to corrective classification provisions of other employees.

It should be noted that in 1975 through a memorandum of understanding jointly reached between the employer and the Public Service Alliance of Canada, an improved red circling process was instituted. However, shortly thereafter, a legal challenge was made to the employer's authority to bring employees salaries into line with the correct level of their positions, and this question was finally resolved through a Supreme Court decision. I see that it is six o'clock, Mr. Speaker.

[*Translation*]

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): When the House rose at six o'clock, Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81 was under consideration. The hon. member for Edmonton East (Mr. Yurko) had the floor. Since the hon. member for Edmonton East is not present, I will see what other hon. member catches the eye of the Chair. The hon. member for The Battlefords-Meadow Lake (Mr. Anguish).

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, it gives me a great deal of honour this evening to rise and address this House on Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81. I trust, Mr. Speaker, that you will bear with me when I say a few words about my constituency, since this is my maiden speech in the House of Commons. Because of the very nature of the bill and the wide scope which it encompasses, I am sure my remarks will be appropriate to that. I would like to start by thanking the people of The Battlefords-Meadow Lake constituency for seeing fit to elect me as their federal representative in the House of Commons and to present their views here to the best of my ability.

The Battlefords-Meadow Lake constituency is located in northwestern Saskatchewan and geographically covers about a quarter of the entire size of the province of Saskatchewan. It stretches from the Borden Bridge in the southeastern corner of the constituency, along the North Saskatchewan River to the Alberta border, and north to the Northwest Territories, taking in communities such as Meadow Lake, The Battlefords, as I already mentioned Buffalo Narrows, and Uranium City in the extreme northern corner of the constituency.

The constituency has a fairly diverse economy. Its economic base originally has been mainly agriculture, and fishing and trapping as we move further north out of the agricultural areas. Agriculture has been and likely in the long term will always be the number one industry within The Battlefords-Meadow Lake constituency, although it is a bit overshadowed at the present time because of heavy oil development, some manufacturing and mining, and an equitable distribution of income from a sound resource policy of the government that we have in Saskatchewan, as well as extensive forestry operations which take place within the constituency. However, they have been devastated somewhat recently because of the numerous forest fires of such a large extent that have been experienced in northern Saskatchewan and throughout all of northern Canada.

The constituency has a rich cultural background of Ukrainian people, people of Scandinavian ancestry, German, French, British, and in the largest part of the constituency we actually represent people from all countries in the world. As well, about 45 per cent of the constituency is made up of native people. Here I speak of treaty Indians, the registered Indians, non-status Indians and the Metis people who live within the constituency.

As you are well aware, Mr. Speaker, we have an NDP government which has been in power since 1971. It has done a very good job of providing the people of Saskatchewan with a good diverse economy. It provides the people of Saskatchewan with the kind ot representation that they have enjoyed very much. That shows in the electoral results of the federal election as well as in the provincial elections since 1971.

The NDP government, as you are well aware, Mr. Speaker, came into power in Saskatchewan after seven long lean years of Liberal administration under the Hon. Ross Thatcher.

An hon. Member: The famine in Egypt.

Mr. Anguish: Prior to that time the province had been represented with the CCF administration of Tommy Douglas, Woodrow Lloyd and other such notables. They brought to us programs of electrification and the resource ownership that we enjoy so much in Saskatchewan today and, again, an equitable distribution of the income and economy within that province.

I would like to say a few words now that tie in a bit more closely with Bill C-30, the act to provide supplementary borrowing power for the federal government to the tune of $12

billion. I would like to express at this time that that is an amount that would run the provincial government of Saskatchewan for eight years. This government, in less than one page of *Hansard*, is asking us to provide borrowing power of $12 billion. That is disgraceful.

When I looked at the throne speech of April 14, as a new member of Parliament I had great hopes for the Liberal government. I thought they were finally going to work with the other members of this federal House in establishing a good sound country to provide equitable distribution of resources and income among all classes of the population and throughout all geographic areas of the country. They told us in the throne speech that we would have to follow two main principles in this Parliament. First, we would have to live within our means—and I can certainly agree with that as most Canadians would, so long as you have the bare means of existence. Some Canadians who live below the poverty line—and that includes many of our senior citizens and those on fixed incomes—do not even have the bare means of existence. I think that this government addressed some of those problems in the throne speech, and I was very happy to hear that.

● (2010)

The second thing they told us in the throne speech is that in the 1980s we will have to make sacrifices. It seems to me that this is a ridiculous statement. We live in a country which has an abundance of resources, in many areas we lead in technology, and we are an industrialized country which should be able to provide many jobs and a high standard of living. We should not have to make personal sacrifices in a country such as ours.

I think that some parts of the throne speech were good where they said that members of Parliament from all parties would be consulted in a non-partisan way on how the country should proceed through the 1980s. I mentioned in many reports to my constituents and to the media in Saskatchewan my high hopes for the Liberal government. I also mentioned some of the problems which were not addressed in the throne speech in terms of agriculture. No meaningful legislation was proposed to deal with the problems of agricultural communities in Canada, and unless the government takes some initiative to help the farmers and cattlemen in their plight, we will be facing not only an economic and an energy crisis in a few years' time but a food crisis because we are driving farmers off the land.

Nothing was said in the throne speech about transportation except for one brief statement that transportation was an important part of the Canadian industrial strategy. No mention was made of double tracking which was proposed during the last election campaign, nor was there any mention of an industrial strategy, which the Liberal party does not have anyway. I do not know why transportation was not made an important part of that strategy, a strategy which does not exist within an incompetent transportation policy under the auspices of a minister who cannot even handle his own portfolio, let alone carry out responsibilities for the Canadian Wheat Board.

At that time the Liberal government did not accept any responsibility for the high interest rates. They blamed them on the poor Conservatives and their short-term government. But actually the reason for the high interest rates can be traced back some years ago when the Liberal government was in office, and that brought us to the bad state in which we are now. Now that the interest rates are coming down, the Liberals want to take credit for it. It is not due to the Liberal government that those interest rates are coming down because the Liberal government had no policy with which to achieve it, just as the Conservatives have no such policy. I submit that the NDP put forward a policy during the election campaign for an industrial strategy and some type of long-term planning so that the people of this country would not have to make the sacrifices which they are expected to make today.

Many parts of the throne speech were taken directly from the NDP policy in the last election campaign. The petroleum price auditing agency proposed in the throne speech is exactly what the NDP was calling for during the election campaign when it proposed a commission on oil profits and prices. In fact, the Liberals found that in order to win the last election they had to swing to the left, thus almost treading on socialist ground in order to get some of the strength away from the NDP and also from the Conservatives.

The throne speech made mention also of some other matters similar to some contained in our policies put forward during the election campaign. It referred to the retaining and expanding of Petro-Canada as a Crown corporation. I think that this is a very good idea. We were great advocates of that agency when it was first formed and we supported it throughout the election campaign, as we support it now. We believe that not only should Petro-Canada be involved in 50 per cent of the petroleum industry in this country but that within the next five years it should own 100 per cent of the petroleum industry in Canada.

Still in the area of energy let me point out that it was stated in the throne speech that the government would explore the possibilities of building a pipeline from western Canada to supply the energy requirements of eastern Canada. This was taken almost directly from the NDP policy stated during the election campaign.

The government stated in the throne speech that a meaningful role would be given to members of Parliament from western Canada. As members know, and as all Canadians know, this Liberal government desperately needs representation in western Canada outside of the city of Winnipeg, and we doubt whether even that representation is adequate.

We hear now about the Liberals twinning constituencies across this country, sending their political lackeys across Canada in an effort to gain support in the west. I submit to you, sir, that they will not achieve that. I think they had better pay attention to those members of Parliament from the west who were elected by due process. I do not want to hear about proportionate representation. The people in western Canada worked for over two decades to get rid of the Liberals—we will not work now to help them back in. Another thing the Liberals

have been talking about is a coalition between the NDP and the Liberals. That is a bunch of hogwash.

Some hon. Members: Hear, hear!

Mr. Anguish: Again, we do not want the Liberals fooling around in western Canada because they will drive us to the same bankrupt situation we had in Saskatchewan in 1944 when the CCF government had to bail Saskatchewan out because of the shameful Liberal administration.

An hon. Member: Horsefeathers!

Mr. Anguish: Horsefeathers for sure! Mr. Speaker, the $12 billion that this government is asking for in its request for blanket borrowing powers is nothing more than money to help their corporate friends, just as the Conservatives would have done had they been in office. We spoke about the problems of government and the big deficits that we have had, but when people who work for this government ask for proper compensation, we cannot even afford to offer them 5 per cent in a two-year contract.

I should like to quote some of the salaries of the top executives in this country. Let me take Seagrams as an example. Their top executive received $788,974 in 1979 as his salary. The second top man—they do not have any women in their administration—received $585,501 in 1979, and the third top person in line for the presidency received $553,413. In 1979 the chairman of Imperial Oil received $649,172. The chief executive officer of Canadian Pacific received over $500,000. The list goes on and on and on.

● (2020)

I agree with the hon. member for Yorkton-Melville (Mr. Nystrom) when he says we should nationalize them. We in fact should, because they do this country no good whatsoever. At the same time we scrounge around depriving people of a decent standard of living, some of whom actually work in the House of Commons around here as clerks. They actually live almost below the poverty level. I think that is shameful. They do nothing for women's rights in order to give them equal status. As a result of the futile attempts governments made and the hundreds of reports we have received, there have been no significant gains.

The real problem with this government is that the $12 billion we are being asked to approve is being spent to help their corporate friends. That money is not needed in fact because there are about $14 billion in accumulated unpaid corporate taxes which the government chooses not to collect. The Liberals will not collect it, and the Conservatives did nothing about collecting it. If we collected that money we would not have to go out and borrow $12 billion.

I have talked about something before in this House during the question period and at committee meetings, as I happen to sit as the NDP representative on the Public Accounts Steering Committee, namely, the deficit of this government which last year was $16.185 billion. That is shameful. I would like that to go on the record. This is to be found in the 1978-79 public accounts and the audited financial statement of the Government of Canada, section 2 on page 2.5. It is there for all Canadians to read, and it is shameful. The reason for this is that the Liberal government has squandered our resources, given them away to multinationals without any thought for the Canadian people. In fact in 1969 this government had a surplus of $605 million. In one decade the situation has changed so that we now have a deficit of $16.185 billion. At this rate it will not be long, and mark my words, before this country is in the same situation that Saskatchewan was in in 1944 when the CCF government had to come and bail it out.

Mr. Elzinga: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Elzinga: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Anguish: No, Mr. Speaker. I will permit a question after I am finished.

As I said, in 1944 the CCF party had to come in and bail out the people of Saskatchewan because of shabby Liberal administration. Up until that time the Liberal government, and before that the Conservative government for a brief period of time, and I will mention that later, gave away the resources and collected no revenue, bankrupting the province. In 1944 when the CCF government came into power members had to put up personal guarantees. People like Tommy Douglas, Bob Wooff, who represented the Turtleford constituency, and Clarence Fines, had to sign personal guarantees so that the government could in fact borrow money to put Saskatchewan back on a sound base. Today that province is on a sound base with an abundance of resources, not second to anywhere in Canada. That Liberal government came to power through the help of their corporate friends and ripped off the people of Saskatchewan.

The only time it was different was in 1929 when the Ku Klux Klan backed the Conservative party that came to power in Saskatchewan. That is the only time they ever formed a government there, and it is the only time they ever will.

Some hon. Members: Hear, hear!

Mr. Anguish: I am very happy that I have the attention of the House so that I can express some of the concerns I have about the people who administer this government.

Through my experience on the public accounts committee I have been exposed to reports of the Auditor General and the setting up of the office of the Comptroller General to introduce a sound base for the introduction of an efficient and accountable government which is effective and honours the wishes of the Canadian people.

I am sorry that the Leader of the Opposition (Mr. Clark) left, because he could use some of this experience.

Some hon. Members: Oh, oh!

Mr. Anguish: Let me refer to some of our other problems to emphasize the need for this government to get control of our own economy. In 1978 we had $75 billion in foreign ownership in this country which stimulated about $4 billion a year in profits that just left the country. Those profits go to Imperial and Exxon, and to countries all over the world. Those profits are not kept here. They give money to Inco and Inco does not expand here in this country, it lays people off. That company goes to Indonesia and other places in the world to build its fortunes there. These companies in no way help the Canadian people.

We do not need to borrow because of inefficient government, but rather because of inefficient politicians who have done a poor job of running this country. I would like to use stronger words but I guess that would be unparliamentary.

We think that we should have a program in this country for effective control of our energy. We should have effective control of our financial institutions and of our transportation agencies. We should clean up our environment. The Liberals do not pay much attention to that, and the Conservatives with their many provincial governments pay no heed to it either. We should be able to provide full employment to the people of Canada rather than driving them out of their homes with high interest rates. Although the interest rates are getting lower now, many people had to renew their mortgages at 17 per cent and higher. This is the fault of Conservatives like you, and the Liberals like you.

In the area of energy, we still feel that Petro-Canada should be involved as the sole agency, with public ownership, to go into competition with other companies involved in the petroleum and the energy sector. We feel that Petro-Canada should be involved in exploration and research. It should be involved in refining, wholesale sales and retail sales. I suggest that we should get Petro-Canada involved in exploration because we in fact do not know how much conventional gas and oil we have left in this country.

In the 1973 annual report of Imperial Oil the president of that country told us, "Do not worry Canadians, we have enough gas to last us for hundreds of years." Some two years later he was telling us that we had an energy crisis. The president of Imperial Oil miscalculated by a couple of hundred years. What is even worse, the Liberals and Conservatives believed him. That is disgraceful.

We need Petro-Canada as a public agency to tell us how much gas and oil there is. Petro-Canada should also be involved in research regarding alternative forms of energy because some day the gas and oil we have will run out and we will have to look at alternate forms to satisfy the great needs we have in this country. We should consider keeping some of our energy at home to provide for our needs first, and then exporting the surpluses to other countries which are in as much need as ourselves.

We should not sell it to the United States, as Alberta does, without putting one single cent into confederation. That province does not pay one penny in export tax on the gas that they export. Saskatchewan pays about $500 million a year in respect of the export of heavy crude. The only reason Saskatchewan has to export this crude is that it does not have an upgrading plant in proximity to upgrade that crude so that we can utilize it. This is something we will be working for in this Parliament, to be situated in northwestern Saskatchewan.

● (2030)

We say also that Petro Canada should be involved in the wholesaling of petroleum products. This will likely be one of the most important areas when the real energy crunch comes and our gas and oil supplies are running out because the multinationals will not sell to the little service station up in Uranium City or to the little service station in Buffalo Narrows, or to the independent service station operator in the Battlefords, Meadow Lake or St. Wallburg. They will sell to their own service stations, the privately-owned ones in the larger centres, or they will sell where they can maximize their profits by obtaining the highest possible dollar without consideration for the regional distribution of supplies. Petro-Canada should be involved in the wholesale trade and sale of petroleum products just to ensure that we have an adequate supply of petroleum in all areas of this country, not just in those areas which can afford to pay the most.

We also think Petro-Canada should be involved in retail sales, not so that it can dominate the market as the multinationals do now, but so that the people of Canada may have a choice, when they pull up at a pump, to fill up their vehicles, or when a truck comes up to the farm to fill up your tank, you may have a choice between paying a multinational company to do it and exporting the money out of the country, exporting employment. You should have the choice to buy either Co-op or Petro-Canada and ensure that all your money stays in Canada.

We also believe there should be some effective control over financial institutions. The Liberal government has said it does not care to become involved in controlling interest rates. The monetary policy of this country is not set by the government. But monetary policy should be set by the government. We should not bleed the credit unions and the caisses populaires trying to make them go broke, declining to raise the ceilings for them from the $1,500 in the Small Loans Act and forcing them to charge only 12 per cent when they should at least be able to compete. This government does not let competition flourish. The field is dominated by multinationals.

When considering the subject of transportation in this Parliament we need to give serious consideration to a transportation policy designed to move people and goods across this country in a manner which is fitting to all areas of Canada, not just central Canada where the majority of the population is centred, but to the east coast and to the west coast, to move people and products throughout this country and to help in overcoming the disparities which exist now.

The fourth thing I want to talk about is the environment. We have a real problem right now with the Minister of the Environment (Mr. Roberts) failing to move to negotiations with the United States to stop sulphur from going into the air,

causing acid rain to fall in this country, killing hundreds of lakes, especially in Ontario. That acid rain which is now moving throughout this country will be our biggest problem in the decades ahead unless some action is taken now to clean up the environment. What we need to do is not to find remedies after the fact. We have to look at the environment itself. Nature has always been acknowledged as the best cure for damage by pollutants that enter our environment. So if we regulate the amount of pollutants which go into our environment, nature itself will take care of that for us and we will not have to try to open up negotiations with the multinationals through inept Liberal and Conservative administrations.

The other thing we would like to see go through is a policy of full employment within Canada, and it is a policy I intend to work toward. It is ridiculous that in our country today people should be laid off in the automobile industry, in the forestry industry and elsewhere, or that people should have a hard time finding jobs in any area of this country. It is not pleasant to be faced with unemployment. Everyone is aware of the grave social problems which occur in families and communities when the unemployment rate runs so high.

In Northern Saskatchewan alone, three mills had to close down in the last few months just because of the bad administration of the federal government and its unwillingness to act to bring down high interest rates which have caused a sort of snowball effect on our economy. Things will get worse yet before they get better, because it takes times to catch up. It is definitely ruining the economy.

I should like to close by saying we have to do something about gaining control of our spending. Either revenues have to be increased or else programs will have to be cut to reduce expenditures.

An hon. Member: A total paradox.

Mr. Anguish: Someone within the Liberal administration has to make a decision about what should be done to overcome the disastrous effect on our economy. We have moved from a surplus in 1969 to a deficit of $16.185 billion a decade later. This is the difference between the amount of money we take in and the amount of money we spend. Then what happens? The politicians of this country turn around and blame it on the civil servants and on the people of Canada for not living within their means, though the fault rests entirely with the politicians who are here in Ottawa, especially those who have held the government purse strings but who have failed to act and have done nothing to solve the problems of this country.

An hon. Member: Take a look at the Crosbie budget.

Mr. Anguish: I would like to close by putting on record a short quotation which was referred to earlier by other members of this caucus, originally by the hon. member for Kootenay West (Mr. Kristiansen). The quotation is from John Foster Dulles—

Some hon. Members: Oh!

Mr. Anguish: —who said:

The measure of success is not whether you have a tough problem to deal with but whether it is the same problem you had last year.

I suggest to you, Mr. Speaker, that it has been several decades since we have had the same problem with us and it is because of this government. We have proved it in Saskatchewan. Through equitable taxation of corporations, not just the little people of this country, we have a thriving province; we have moved from being a have-not province to being one of the most prosperous provinces in Canada, and that will not happen in this country as a whole until the people wake up and realize that the NDP can provide the only sound administration for this country.

Some hon. Members: Hear, hear!

Mr. Elzinga: The hon. member indicated he would be good enough to answer a question after he had concluded his remarks. He showed a deep regard for the deficit and for spending. Perhaps he could explain why, when we introduced a budget to reduce the deficit and cut government spending, his party voted against it.

Mr. Anguish: I do not think that was the reason the people necessarily alone voted against the Conservative government. The reason the people of Canada voted against the Conservative government was—

An hon. Member: Joe Clark.

Mr. Anguish: Joe Clark. Second, because of the 18-cent a gallon excise tax they were going to impose—

The Acting Speaker (Mr. Blaker): Order. With the greatest of respect, the hon. member indicated at the beginning of his speech that it was his maiden speech. The Chair has therefore allowed the greatest latitude, though there were moments of difficulty when we reached the Ku Klux Klan and other subjects. But I think I have even more difficulty at this point understanding the relationship between the exchange of the two members and the subject of Bill C-30, an act to implement a borrowing authority. Perhaps the Chair might recognize the next hon. member who hopefully will show hon. members the joys of relevance which perhaps would assist the House.

Mr. Anguish: Mr. Speaker, I rise on a point of order. I appreciate your Your Honour's degree of latitude in allowing me to go on in my maiden speech in the House of Commons. As Mr. Speaker can appreciate, I had difficulty in sticking with Bill C-30 to give the government borrowing powers. But in response to the question the hon. member opposite was asking me—

● (2040)

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

Mr. Anguish: —I was only trying to go on with the long list of problems, as to why the people of Canada in fact defeated the Conservative government.

Mr. Elzinga: Mr. Speaker, on a point of order, I think the hon. member illustrated his intelligence in answering my question, because I did not ask him why the people of Canada voted as such. I asked him why his party voted against a budget that would reduce government spending and bring down the deficit.

The Acting Speaker (Mr. Blaker): The Chair is having a problem recognizing the relevance of even the points of order. I recognize the hon. member for Parry Sound-Muskoka (Mr. Darling).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I will certainly endeavour to heed your very, very excellent advice and stick to the subject for most of the time.

Some hon. Members: Oh, oh!

Mr. Darling: I know we are allowed a little bit of latitude.

An hon. Member: Do you want to bet?

Mr. Darling: I bet occasionally. The strayers from the subject time and again are the hallowed group to the left of me—

An hon. Member: Hallowed!

Mr. Darling: —who think they are saints personified.

On Tuesday, May 27, the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), the hon. member for Cape Breton Highlands-Canso, introduced a profoundly significant bill, Bill C-30. It is a bill to grant the government the authority to squander more of the hard-earned money of taxpayers, and then the minister spoke in defence of the bill for less than five minutes. Just imagine, Mr. Speaker, asking members of this House to allow it to borrow an additional $12 billion, and then speaking in defence of such a request for such a very few minutes. I presume he is going on the basis that the government has a majority and that it will be able to ram it through despite the objections of the combined opposition.

At the time the minister introduced the bill, he said the following:

> Mr. Speaker, I will follow the advice given by members of the opposition and make my remarks very brief—

Certainly the minister held to his words. His remarks in defence of this terribly significant bill occupied about three quarters of a page in the May 27 edition of *Hansard*. Can you, Mr. Speaker, fathom such arrogance, such dishonesty and such insolence? It is bad enough that the minister spoke in defence of the bill for such a few minutes. What is even worse is that he said absolutely nothing of consequence. He told us nothing. He told Canadians absolutely nothing. Does the minister think he can hoodwink Canadians a second time? Does the minister think Canadians are uninterested? Does he think Canadians are all stupid? It is high time the government realizes that it is dealing with taxpayers' money. It is deplorable that the minister would ask for permission to borrow such an enormous sum and not provide members of the House with any indication whatsoever of how it intends to dispose of and spend that money.

Actually the government had the audacity, the unmitigated gall and the temerity to ask members of the House to provide it with the authority to borrow an additional $12 billion for the fiscal year 1980-81. I would remind the government that just a few months ago it was declared by certain Liberal members that the Clark administration had lost control when it requested the authority of the House to borrow $7 billion. At that time it was suggested that we only required $3.5 billion. I believe that suggestion was made by the finance critic at that time, the present Minister of Industry, Trade and Commerce (Mr. Gray), who was in his seat a few moments ago. I wonder what he is saying now about this $12 billion. My apologies, I see the hon. minister is talking very confidentially with the Secretary of State for External Affairs (Mr. MacGuigan). I am wondering what the minister who now sits on the Treasury benches, the finance critic of the Liberal opposition party during the very short tenure of office of the Clark government, is now saying about this $12 billion request.

An hon. Member: Nothing.

Mr. Darling: Nothing; that is quite right.

The government is asking members of the House to trust it. Let me repeat that. The government is asking the members of the House to trust it. It is requesting authority to borrow a lump sum of money without indicating why it needs the money. It is saying to Canadians, "Let us borrow the money and let us spend it just as we see fit". What will the government do with the $12 billion? This is information which the House deserves to be provided with before it grants any such authority. Certainly we do not intend to give them a blank cheque, or a cheque for $12 billion and say, "Away you go, boys, spend it as you like."

There is no doubt about it. The government has lost control over government spending, if indeed it ever had control. One only needs to refer to the long list of cost overruns which was supplied recently by the President of the Treasury Board (Mr. Johnston). In committee of the whole the minister referred to a list of 497 projects with cost overruns of $1,064 million. The list with which we were supplied contained only 471 projects. Why were we not supplied with a complete list? Not only was the list incomplete, it was seven months old. One cannot help but wonder if the government is deliberately endeavouring not to reveal the actual seriousness of the problem. Is it possible that the amount of the cost overruns of these 497 projects is probably a good deal greater than the $1,064 million stated by the minister in the House?

It is bad enough the government has permitted the magnitude of the problem to skyrocket. Members on this side of the House want to know what the government is doing to make certain the problem is being brought under control. Mr. Speaker, 153 projects out of 223 projects under the Department of the Environment have experienced serious cost overruns. Certainly that is scandalous. Does this department have

no control at all over its spending? Permit me to mention just a few of the more serious examples.

The Lachine Canal project had a cost overrun of $45.9 million, or 90 per cent over the original cost. The Art Park restoration project had a cost overrun of $6,550,000, or 54.4 per cent over the initial estimate. The Halifax Development project has had a cost overrun of $14,063,000, or 97.1 per cent. I cannot imagine a cost overrun that is in excess of 95 per cent. That is unforgivable and deplorable. The Newfoundland Highway 430 project had a cost overrun of $12,537,000, or 298.5 per cent. That is absolutely unbelievable. The Fort Anne Nova Scotia Development project had a cost overrun of $4,174,000, or 302.7 per cent. It is getting worse and worse as I go along. What kind of estimates did the government come down with?

● (2050)

A good many of us on both sides of this House are probably considering that these departments, when they originally ask for this money, know that even the Treasury Board chairman of the present government would have turned them down if they knew the true facts. Therefore, they hide them by estimating at rock bottom prices because they know when the time comes the figure will go up, but by then the government has committed itself. Once the project is under way, it is much easier to say, "You cannot shut the project off now because it is half done". In that way, they are able to extricate the extra money out of the government.

Part of the money which the government is asking to borrow this time will probably go to this very same thing. The Department of the Environment is not the only department which is experiencing serious cost overrun problems. The Department of Indian Affairs and Northern Development is experiencing similar difficulties. In fact 42 of the 76 projects under the jurisdiction of Indian and Northern Affairs are experiencing cost overrun problems as well. National Defence, Public Works, the National Research Council, and the National Capital Commission are all experiencing serious cost overrun problems.

The Quebec sewage program and the road network projects under the National Capital Commission have experienced phenomenal cost overruns. The Quebec sewage project has a cost overrun of $14 million, or 35 per cent. The road network project has a cost overrun of $10 million, or 6.7 per cent. I am sure that a good many of us are aware of the hundreds of millions of dollars which have already been poured by the National Capital Commission into projects across the river in our sister city, Hull.

The Lethbridge laboratory project which falls within the jurisdiction of the Department of Agriculture is experiencing a cost overrun of $16,136,000, or 503.6 per cent. Just imagine, Mr. Speaker, 503 per cent over the original suggested cost. One would think that the government is not overly concerned about the problem. If the government is willing to allow one of its projects to realize such a fantastic overrun, then what other conclusion can we reach? If, by chance, this government would like to give the impression that it is indeed concerned, then why has it not established a special committee to investigate cost overruns, a move, by the way, which was initiated by the previous Conservative administration?

It is abundantly clear that the government has lost all control over government spending. What is even worse, it appears that it is not prepared to do anything about the problem. In light of this appalling evidence of bad fiscal management on the part of the current Liberal administration, I would strongly suggest that the government not be given the authority to borrow $12 billion until, first, it has produced to this House solid proof that it is endeavouring to adopt a more responsible attitude with regard to the expenditure of the people's money. Secondly, this government should provide this House with a definite indication of how it intends to spend the money which it expects to borrow.

We are all well aware, and the subject has been mentioned by previous speakers, that a good deal of this money will probably be used to offset the high cost of energy and the greatly increased cost of offshore oil. There is no argument that the price of oil prior to 1973 was dirt cheap. However, that is certainly no longer the case. Hon. members are aware that about one-quarter of the oil that we use is imported, and the difference between the cost of that oil and the price of Canadian oil is subsidized from general tax revenue.

At the start of last year the subsidy for oil was $4.60 a barrel. This month the subsidy is a staggering $21 a barrel. From 1968 to 1978 the budgetary deficit increased by 11 times. In 1968 the deficit of the federal Liberal government was $800 million. In 1978, ten years later, it was a staggering $9.2 billion. The size of the Prime Minister's office staff between 1968 and 1978 rose from eight people to 90 people. In 1968 the Privy Council staff consisted of 194 persons, and it now contains 368 persons. That is a total increase of 127 per cent.

Let us look at some other figures. Unemployment in 1968 was 4.5 per cent, and in February of 1978 it was 8.3 per cent. The important thing is to cut down on the borrowing and other costs and attempt to get more people back to work. Unemployment insurance benefits in 1968 cost the government $438 million. In 1979 the amount paid out for unemployment benefits was a staggering $3.9 billion.

I have with me tonight a very interesting article. It is the verbatim transcript of a dialogue between two very prominent Canadian citizens, which was broadcast to us on April 23. I do not think that either of these illustrious gentlemen could be classed as strong supporters of the Progressive Conservative Party. One of the individuals was the very notable and redoubtable Pierre Berton.

Mr. McDermid: A millionaire socialist.

Mr. Darling: Yes, a millionaire socialist. There is no doubt about that. The other individual almost took the leadership of the Liberal party in the province of Ontario, Charles Templeton.

Mr. McDermid: Charles who?

Mr. Darling: The brief conversation between these two gentlemen went as follows:

TEMPLETON: Pierre, I gave up, temporarily, on Canada when the results of the last election came in. I now say the chickens are coming home to roost—we are going to rue the day.

BERTON: Well, after looking at last night's mini-budget, Chuck, there is only one question to ask: what ever happened to that word 'restraint'?

TEMPLETON: Pierre, Mr. Trudeau said, during the campaign, among the few things he said, that he would cut back on government spending. The budget they sneaked in—calling it a non-budget—Mr. MacEachen said two things which beyond all the inspecifics ought to be noticed. He said the higher interest charges on the public debt and further escalation of the oil import subsidy is going to mean that there will be two billion dollars more federal spending than was anticipated last December 11. Secondly, the budgetary deficit is going to go up in this one year, 2.7 billion dollars to 14.2 billion dollars, and still there is nothing in this mini-budget designed to cut spending or to fight inflation or to combat unemployment.

BERTON: Well, this is the government that knocked out the Conservatives because of their budget. This is the government that invented the word 'restraint', and said that they were going to cut back on government spending before the last election. This is the government whose auditor general on retirement two weeks ago announced that there was one-third too many civil servants in the country. This is the government that last night through Mr. MacEachen said that federal spending would not increase 10 per cent this year as predicted by the Conservatives, which is horrendous enough; it will increase 13.5 per cent. In other words, there is no real effort being made to cut the cost of government, which the Auditor General himself tells us is necessary. They tell us now that unemployment is going to go up from 7.4 to 8 per cent, that inflation is going to go up from 9 to 10 per cent. The economy is going to slow down to .5 per cent growth.

● (2100)

TEMPLETON: Oh, that's what they estimate.

BERTON: Yeah.

TEMPLETON: There's going to be no growth, no growth at all.

BERTON: Well, either, as you say, no imaginative or sensible projection—

TEMPLETON: Never mind imaginative or sensible, no projections.

BERTON: That's correct, nothing at all.

TEMPLETON: What they're going to do is get more money to spend.

That is certainly proven in this bill.

BERTON: They're going to rent more money, they're going to borrow more money at 20 per cent interest rates.

Thank goodness, Mr. Speaker, the rates have started to come down so they are not exactly correct in that.

TEMPLETON: They're going to borrow it. They're going to steal a little bit off tobacco smokers, steal a little bit off alcohol, but they are not going to charge anything more for gasoline. They are not going to do anything about conservation. They're gonna put a surtax of 5 per cent on federal income tax from corporations, but that is temporary. You see, what I, what really burns my—

I will say posterior, and not use the exact word that Mr. Templeton used.

—is the absolute corruption of the Liberal government who pay no attention to what they promised the people, who make no attempt to keep the promises they make, who lie in their platforms and who lie when they get in office. They don't even call this a budget.

I guess, Mr. Speaker, some of them find it difficult even to lie straight in bed at night.

What it is, it's a way to get more money so they can spend it because that's the Liberal way of governing.

BERTON: One thing they've got Charles, you have to admit—

TEMPLETON: Power—

BERTON: —they've got power that the people gave to them, you know. What the heck, you say, I gave up on Canada, people get the kind of government they deserve and I think they're gonna rue the day they got this one, that's just unbelievable what went on last night in the House of Commons.

TEMPLETON: Pierre, if you look at the proposals here, if you look at the suggestions, they are absolutely . . . first of all, how in heaven's name can you bring down a government, as they did, in company with the NDP on the NDP's amendment . . . how can you bring down a government and then bring back virtually all of the things that government was going to bring, except the things that matter. Namely, a cutting down on spending; namely, an increase in the taxes on driving. The very things campaigned against are the things that are done. We have an immorality in this Liberal government and in its leader, that I find just incomprehensible.

I find it impossible to believe for whatever the charisma may be, or whatever the myth may continue to be, the people continue to support, but they do. And they have a majority they can run on—

BERTON: There's four years, they're there for at least four years and I think Mr. Trudeau's gonna stay in for four years—

So do I, Mr. Speaker.

An hon. Member: So do I.

Mr. Darling: He continues:

—and he's going to prevent any attempt to challenge his leadership until four years are up.

An hon. Member: Tell Gerry Regan that.

Mr. Darling: Templeton finishes up with "A pox on him". I say the same—a pox on this government.

Some hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate, on Bill C-30 tonight, which I remind hon. members of the House and the public is a bill in which the government is requesting authority to borrow a further $12 billion, I feel it might be helpful, first of all, to try to put that sum into perspective. Frankly, Mr. Speaker, I believe we in this House often lose total sight of the figures with which we are dealing.

As a result of the government's borrowing needs, they are now required to pay something like 12 per cent interest per year when they borrow money. To put that into perspective, as we debate tonight this small bill, large in its impact, remember that with interest rates running at 12 per cent, money on a cumulative basis doubles in six years and goes up four times in 12 years. This means that we are not in fact talking about $12 billion, we are talking about the creation of debt in the name of Canada that will require, over the next six years, a further $12 billion simply to service it. Then 12 years ahead, the total amount of debt and servicing charges that will be required is $48 billion and within 18 years it is then, of course, $96 billion.

The reason I emphasize this, Mr. Speaker, is that I am so totally and unbelievably shocked by the indifference of this government to the magnitude of what they have asked this House to do by introducing this bill.

To put it again into perspective, once I was told by a bureaucrat, when there was a little uncertainty as to whether he meant in the case of this deal, $10 million or $10 billion, that we never use the last three digits in Ottawa. That is part

of this nation's problem, Mr. Speaker. We have had a government for the last decade especially, with the brief interregnum, that frankly does not relate to the figures they are forcing the Canadian public to accept.

It is easy to do the arithmetic. What we are considering tonight, in effect, is whether the government should be empowered to go out and, on behalf of every man, woman and child in Canada, borrow $500. That is what we are talking about. For a family of three we are being asked to allow the government to go out and borrow $1,500. It is as simple as that. With interest at 12 per cent and applying the cumulative factor, that means that for every man, woman and child we are, in effect, going to incur a debt of $500 on their behalf, that becomes $1,000 in six years, $2,000 in 12 years and $4,000 in 18 years. This does not have to continue, Mr. Speaker. With a responsible government, a government that is willing to attempt to balance its budgetary position, this ongoing increase first, of budgetary deficits and second, of debt requirements, could be halted.

I was rather encouraged as I came into the House tonight to hear the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) at least showing some alarm with respect to what we are being asked to consider and approve tonight. I think it is good that any member of the House, whether he be socialist, Liberal or Conservative, has the courage to stand up and say, "We have had enough of this and we are not going to rubberstamp it any further."

I know it is commonplace for this government that believes only in political power, is totally indifferent to the economic consequence of its actions, to say, "Maybe things are not as good as we would like in Canada but, after all, we are not doing badly compared with other countries." In that connection, let me refer to a couple of things. In the Spring 1980 Review, the Friedberg Mercantile Group have an interesting chart in which they set out the comparative CPI figures, the wholesale increase figures, and the current account positions with respect to ten of the most industrialized nations in the world. If hon. members think that Canada is not doing too badly, I ask them to please take a look at these charts.

● (2110)

The first chart deals with the consumer price index. It ranks Canada sixth among the ten. The next chart deals with wholesale prices and it ranks Canada ninth out of ten; only one country is worse, and that is Italy. With regard to our current account deficit, we have the distinction of being the last. We are the ninth worst in the industrialized world. There were no figures for the tenth country to show how it performed.

Somehow this is all knitted together. I know that members on the government side might be quick to say that is just one economist's or company's views, but let me quote their own figures to them. Earlier this week the Minister of Finance (Mr. MacEachen)—who I am quite disappointed is not in the House tonight while this bill is being considered—tabled his Economic Review. Again, I invite all members to leaf through that review because it they do not want to accept the figures that may be put on the record from this side of the House, surely they will accept the figures from their own Minister of Finance.

For example, what that review highlights is the tremendous imbalance of taxation in this country compared to that of the United States. I refer to page 136 of the review, table 11.22. That shows a Canada-United States comparison of government expenditures by function as a percentage of their gross national product. I emphasize that this is not dealing with simple dollar terms, it is dealing in the percentages being spent in those two countries in relation to their respective gross national products.

In the case of the United States, it shows that the total expenditure in that country is 34.6 per cent of its gross national product. That is the expenditure on account of government. In Canada, the expenditure is 41.8 per cent. As one can see, it is over 7 per cent higher, and it is over 20 per cent higher, if you want to take one percentage over another, than that in the United States. That is only part of the story, Mr. Speaker.

You will find the reason that the American figures are as high as they are is that they are spending 5.4 per cent of their gross national product on defence, while Canada is spending only 1.7 per cent. If those figures are equalized, and if the Americans, for example, only spent on defence—and I am not suggesting that they should—what we are spending relatively, it would mean that their total governmental expenditures are 30.9 per cent compared to Canada's 41.8 per cent.

I refer to that because sometimes we lose sight of the fact that in Canada we have not only become one of the most over-governed countries in the world, we have become one of the most inefficient, expensive countries in the world as far as government is concerned. This is so significant because the figures that I have given are comparative figures to those of the United States.

The Americans are our main trading partners. It is the United States that holds out the greatest hope for further exports as far as Canada is concerned. I can only tell hon. members, Mr. Speaker, to the degree that we are loading our Canadian public with approximately 20 per cent more in government expenditures, that we are handicapping our people in their productivity and in other means of exploiting that American market.

That brings me to the discounted dollar, because the two are related. As hon. members are undoubtedly aware, we had to let our dollar fall because we could no longer compete on the world markets with a dollar roughly at part with the United States. One reason why we could not compete was because we had loaded our workers with this excess government spending which meant extra taxation on their backs compared to their counterparts in the United States. The phony equalization mechanism is simply to allow the dollar to fall, roughly 15 per cent, which then makes the Canadian worker a person working for 15 per cent less than he used to work for in terms of American dollars. That is what happened with a discounted Canadian dollar. We require every worker in Canada in terms

of American dollars to simply take a pay cut of over 15 per cent in order to allow the Liberal government to continue with its high-flying spending approaches.

I could read into the record certain other rather startling revelations that are in the Minister of Finance's economic review. I stress these are not Conservative or socialist figures; these are figures tabled by the government of the day.

For example, there is an international comparison of central government expenditures on page 135 of the review at Table 11.21. It is interesting to note that there is only one country that has a higher central government expenditure than Canada. Guess who? It is Italy. That is the only country. Australia has a total expenditure of 29.7 per cent. I could read the whole list into the record. Again, it is interesting to note that as far as international comparisons of central budget balances are concerned, again, in 1977, those are the last available figures, there is only one country worse than Canada, and that is Italy.

Again, most importantly, when we compare the budgetary deficit in Canada for 1979 with that of the United States—and these figures are available on page 133, Table 11.19 of that Economic Review—I am pleased that you are seated, Mr. Speaker, because how many people in Canada realize that while these Grits have led us to the position of where we have a deficit in relation to our gross national product of 3.5 per cent, the Americans are virtually in balance with minus 0.4 per cent in relation to their GNP? These are the facts.

I believe it is particularly relevant tonight to be putting those facts on the record as we consider a bill in which the government is asking us to approve it borrowing, on behalf of every man, woman and child in this country, an extra $500.

Think what this government has done to interest rates in the country. There seems to be great confusion about this. I have heard our socialist friends to the left stand up and say, "Reduce interest rates" and the next speaker will stand up and say that certain expenditures should be increased as far as the government is concerned, without realizing that if you increase expenditures with a government that is already spending one-third more than its revenue, you have no place to cover your expenditure other than going into debt further which drives up interest rates.

● (2120)

Let me again refer to the Economic Review of the Minister of Finance. What they have loaded Canada with is all spelled out. For example, on page 141 of that review there is a chart which indicates that in 1970-73, interest rates in Canada at one time were actually below 6 per cent. That is as recently as the 1970-73 time-frame.

In 1974-77 they got up as high as 9 per cent. In 1978 they were almost continually above 9 per cent. In 1979 they got up to almost 11 per cent, certainly over 10 per cent. As we know, recently interest rates on Canadian government bonds got as high as 13¾ per cent. This is the bottom line, if you like, of the inept bungling on the part of the present government.

I would like to refer, and perhaps read into the record because it is so interesting, what the Economic Review says concerning comparative interest rate levels at the federal government level and the provincial level in Canada. Referring to page 141 of the Minister of Finance's own Economic Review, it states:

> While there may not be a close relationship between nominal interest rates and total borrowing requirements, relative yields within the Canadian financial markets have been influenced over the past decade by the relative volumes of securities available. For example, the yield on federal securities has increased relative to the yields on comparable private sector securities over the course of the decade as the federal government increased its marketable issues at a rapid pace. Thus, while federal government marketable bonds represented 20 per cent of the Canadian dollar bond holdings of the general public in 1970 and almost 25 per cent in 1979, the yield differential between federal and provincial bonds dropped from 1.13 percentage points in 1970 to 0.53 points in 1979, and the spread between federal bonds and comparable private securities narrowed over the same period from 1.27 to 0.69 percentage points. A similar situation occurred in the short-term money market where the federal government's securities constituted less than 4 per cent of the market in 1970 and more than 10 per cent in 1979.

Expressed simply, what that review, or the economist who wrote that paragraph, is saying is that the federal government, which used to be able to borrow money at over one percentage point less than the provinces in Canada, has now borrowed money to such excess that that differential has been cut by more than half. That is significant.

I know some may say, "What do you do about it?" We are faced with a bill requesting the $12 billion to which I have referred. Here is where I feel the official opposition is on sound ground. On December 11 last year we tried to do something about it. In the budget that was brought down that night, we attempted for the first time in Canadian history to show an economic program that would in fact lessen the deficit and the necessary borrowing in this country, that would not only just raise revenues, but would also lower expenditures as far as the federal government level was concerned.

Within two days we were voted out of office. We must never forget this: The old alliance between the NDP and the Liberal party deemed it in their own political interests to trigger an election in this country. With that background, Mr. Speaker, you can understand, as I said before, my pleasure in hearing the hon. member for The Battlefords-Meadow Lake talk about deficits and the fact that he was alarmed at the size of our deficit. On the other hand, surely we must all agree how totally inconsistent members of Parliament can be within their own caucuses. Here you have that member being coached by the person who brought in the motion that was supported by their friends, the Liberals, that defeated the government which would have lessened deficits in this country. We are told tonight by another member of that caucus that that is exactly what should have happened.

Here is the consequence of what we are looking at. If the present Minister of Finance does not arrest the present trend as far as spending and revenue forces are concerned, it will mean that the cumulative extra deficit. which means net debt, between now and 1984 will be $27 billion. Unless the present government arrests the trend, that is the net position as far as expenditures and revenues are concerned. The net cumulative

deficit will be increased by $27 billion if the Minister of Finance does not come up with something comparable to what we proposed on December 11 to narrow the deficit in this country.

Let me give the figures. At the present time the total net debt in this country is approximately $67 billion. Under the budget that we proposed, by 1984, with the restraint that we proposed, and with the revenue increases that we suggested, the total net debt position would be $105 billion. Without that budget, and as the trend is now in place, the net debt will be $133 billion.

Let me put that into per capita terms. It will mean there will be approximately $1,200 of added debt over and above what we would have suggested for every man, woman and child in this country. If there is any compassion in these ruthless, hungry political people who somehow or other covet power over everything else, surely they are going to bring a halt to this type of extravagant expenditure performance that has been their tradition in Canada.

It is so typical of the government now ruling this country for me to be able to look across the aisle and see the Minister of Energy, Mines and Resources (Mr. Lalonde) giggling and laughing as if this is one of the funniest things that has ever happened in the nation.

Mr. Lalonde: Mr. Speaker, I rise on a question of privilege. I am only wearing my nice, usual smile.

Mr. Gray: Mr. Nice Guy.

Mr. Lalonde: That's right.

Mr. Stevens: Anybody who finds much to smile about when we are talking about adding $500 to the debt of every man, woman and child in this country as a result of the sheer incompetence of his government is a strange person indeed.

Mr. Lalonde: Don't you smile now.

Mr. Stevens: That strange, strange Minister of Energy, Mines and Resources—

Mr. Lalonde: You are smiling too.

• (2130)

Mr. Stevens: That strange Minister of Energy, Mines and Resources to whom I have been referring is the same person whom I heard say in the House—and at that time I think he had a straight face, but perhaps he was laughing to himself—that he saved the Canadian public 18 cents a gallon in lieu of the excise tax which was not imposed in the mini-budget brought in by the Minister of Finance.

Let us put that into perspective. They did not save one nickel, let alone 18 cents. What they have done simply is to add it to the deficit, which means it is added to the debt and is going to be in the general pot, accruing an interest of 12 per cent a year.

An hon. Member: Do not mislead the House.

Mr. Stevens: Let there be absolutely no doubt about that. This government, in saying that it has saved the Canadian public 18 cents a gallon—

An hon. Member: Is telling the truth.

Mr. Stevens: —is not telling the truth because all that has happened essentially is that the government has proposed, if we grant them the authority tonight, to write IOUs to cover 18 cents a gallon, which means that all they have done for those who fill their tanks, is to give them approximately $3 on a tank of gas. This money ends up in the debt column in Ottawa to be paid by future generations.

Mr. Kaplan: It ends up as profit for your friends in the oil business.

Mr. Kempling: The bionic mouth over there is speaking.

Mr. Stevens: Let us put something in perspective because I have heard certain comments coming from the Liberal backbenchers. They are well back, I might say. I did not talk about certain expenditures so far as our budget was concerned that would have offset the 18 cents tax to which I referred. Here are the hard figures. so far as the budgetary transactions were concerned, under the conservative budget of December last our revenues were to amount to $46,835 million. The revenues under the mini-budget brought in by the Minister of Finance were $45,635 million, that is $1,200 million less than our revenues. So far as expenditures are concerned, we proposed under our Conservative budget to spend $57.3 billion. The Grits brought in a mini-budget calling for expenditures of $59,800 million, or $2,500 million more than we proposed. Those are the figures. It means that in total our deficit, which was higher than we would have liked, amounting to $10,465 million, expanded in those few brief months by the time the Minister of Finance came up with his mini-budget to $14,165 million, or a jump of $3.7 billion.

Any time a Liberal backbencher wants to ask me a few questions like that, I will be only too willing to read into the record the disastrous incompetence on the Liberal side.

In summary, let me put it in other words. An NDP spokesman tonight referred to John Foster Dulles.

Mr. Epp: The new guru of the NDP.

Mr. Stevens: Being a truly progressive Conservative I should like to refer to the words of Thomas Jefferson who had this to say:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers . . . we must make our choice between economy and liberty, or profusion and servitude. If we can prevent the government from wasting the labors of the people under the pretence of caring for them, they will be happy.

I rest my case. No MP in conscience could vote to pass Bill C-30 until the government has produced a proper fiscal plan, namely, a budget for this country to examine. It would be irresponsible for members to start voting in support of this bill in light, first of all, of the government's hesitation to bring in a

budget, and second, to give us a five-year overview such as the United States has produced, the United Kingdom produces, the Lambert report has suggested be done in Canada, and we did in our December budget. In short, it is time that members of the House stood up and were counted for the Canadian public instead of simply playing it political.

Some hon. Members: Hear, hear!

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81. I do so because the wording of the bill and the minister's introduction to it on May 27 raise more questions than they answer. In fact the minister's speech is surely a model of brevity. When he wrote it he must have been looking at the three monkeys. By that I mean the three monkeys that hear no evil, speak no evil, and see no evil. He definitely made certain not to tell the House any more than the barest essentials. In fact, his speech is so naked in content that had it been presented anywhere but in this chamber, I feel that the minister may well have been charged with indecently exposing his borrowing act.

I listened to the minister's speech, I read and reread it, and I did the same thing with Bill C-30. But because it tells me nothing about the government's plans I cannot in all honesty, as the representative of the people of South Shore, vote for this measure. As close as I can determine, the Minister of Finance (Mr. MacEachen) stood in his place and simply stated that the government needs borrowing authority for $12 billion for the fiscal year 1980-81, in foreign currency as well as in Canadian money. Obviously he has already had a little twinge of concern that he and his colleagues may have gone once too often to the cookie jar and that perhaps the cookie jar may be becoming empty. So now he wants to make certain that he has the right to go to some other country's cookie jar in order to get the funds he may require, if it is necessary. All this may be due to the minister's Scottish background and his ingrained sense of thrift which causes him to make certain that sufficient funds are available from any source for his needs. If this is the case, our only regret is that his sense of thrift is obviously not shared by his colleagues.

The minister also referred to his statement of April 21 when he tabled a projection of the government's budgetary requirements for 1980-81 in the amount of $11,730 million. Since then, however, he has decided he needs a little extra margin of borrowing authority to provide for contingencies. So he is rounding out the figures and he is asking for a blank cheque of $12 billion. Well, the difference between the minister's April forecast and his request in May is $270 million, which is not an insignificant amount seeing that little more than a month separates his two statements. It reminds me—and I go back a few years—of the C. D. Howe statement when that gentleman was prone to ask the question, "What's a million?" Obviously this type of thinking still prevails among the present day Liberals. One would hope that they had learned a lesson because the "what's a million" statement cost them the government at that time.

• (2140)

An hon. Member: Now it is "What's a billion?"

Mr. Crouse: Yes, now it is "What's a billion?" The hon. member for Parry Sound-Muskoka (Mr. Darling) must have been reading my notes because that is exactly what I was going to say.

An hon. Member: He wrote them.

Mr. Crouse: I am sorry but I have to correct the Minister of Energy, Mines and Resources (Mr. Lalonde). The notes that lie in front of me, sir, for your information, were entirely composed and compiled by me; good, bad, or indifferent, they are my effort.

The $12 billion that is in the bill is not the total story. The Deputy Prime Minister and Minister of Finance in his brief remarks told us that the unused borrowing authority which is available for use at any time, and which is being carried forward, amounted to approximately $2.9 billion at the beginning of the fiscal year 1980-81, which is really April 1, April Fool's day. The minister may take us all for April fools, but quite frankly I believe that the Canadian electorate is at least entitled to know what this government planned to do not with $12 billion, but $15 billion. That, as was so adequately described by a previous speaker, is $500 for every man, woman and child in Canada. That is in effect what the government is asking the right to borrow at the present time.

I say this because it is now obvious to everyone that the Canadian financial ship of state, sir, is out of control. You need only look over the years in which the Liberal party has been in power to realize the truth of that statement. When the Prime Minister (Mr. Trudeau) was first elected on June 25, 1968, Canada then had a population somewhat in excess of 20 million people, and according to the record, "How Your Tax Dollar Is Spent", which was put out, I think in 1978 by the then president of the Treasury Board, the Hon. Bud Drury, we read that in 1968 it required less than $10 billion to look after the needs of our people. What has happened in the intervening years? Our population has grown to a little more than 23 million and today we require $58.4 billion, perhaps $60 billion, to look after our needs.

With the exception of a brief period during which my party was in office, unfortunately too brief a period, when we proposed to reduce Canada's deficits, the Liberals had been in power under their present leader for some 12 years. The problems which had been brought about by their mismanagement and deficit financing must be laid squarely at the feet of this present government. The $15 billion borrowing pill might be a little easier to swallow if it was coated with the sugar of explanation, and obviously this can only be done if the government provided this House with a budget.

The minister in his shy, retiring manner has given no indication of when we can anticipate a budget, or what his

final spending plans are for this fiscal year. Obviously we can only anticipate his reticence as being indicative of something more sinister. I refer to his reticence to come clean. He could be "Mr. Clean" with Canadian taxpayers, but we can only judge his reticence as an indication that worse is yet to come. "Come grow old along with me," says the Minister of Finance, "the worst is yet to be." That is about what we are facing tonight.

This bill is asking for $12 billion borrowing authority on top of, as I said, almost $3 billion already approved. This means that the total sum of $15 billion will have to be borrowed by the government, or will be available to be borrowed by it to finance its operations and to meet its cash requirements during the current fiscal year. This amount, as I said previously, is more than the minister predicted in May that he and his government required. The increased amount is substantial. When one calculates the interest at current borrowing rates, something like 12 per cent, all of which will have to come from the pockets of individual taxpayers, one will see that the load that must be carried by Canadians to support this spendthrift government is staggering. The $15 billion at 12 per cent means a carrying charge for one year only of $1.8 billion.

Why do you need borrowing authority for $14.9 billion? I ask the Minister of Finance that through you, Mr. Speaker. Why do you need that when you stated on April 21 last that your total requirement would be only $11.730 billion? That is $3.170 billion more than his own estimate. When you ask for this much money in excess of requirements you certainly cannot any longer hypocritically keep telling the Canadian people that you are a government of restraint or a party practising restraint. This is the course you have been following, but it is way past the time when you should match your words with concrete action.

On January 11 of this year, for example, Mr. Trudeau campaigned for votes, outlining five general commitments to Canadians which were the echoes of some of the same old, reprinted promises we have heard for the past 12 years.

I ask the government, through you, Mr. Speaker, how does it relate this request for almost $15 billion in borrowing authority with Mr. Trudeau's statement that, if elected, the Liberal government "will manage more vigorously the nation's finances in order to make more effective use of the taxpayer's money?" That is his statement. Is it any wonder that the Canadian electorate today are cynical about promises made by their leaders? That is unfortunate, sir.

On May 31, 1968, in his first campaign, Mr. Trudeau told a Moncton office that his government would spend no more than it earned. On August 3, 1969, he said in Ottawa that a new Liberal government restraint program would bring government spending under control. On February 19, 1973, his finance minister promised government determination to impose restraint on its own spending in order to avoid aggravating inflation.

In the throne speech of September 30, 1974, and in the budget speech of June 23, 1975, the Trudeau government promised spending restraints. When announcing wage and price controls in October of 1975 Mr. Trudeau promised spending restraints. On October 18, 1976, the Liberal president of the Treasury Board promised spending restraints. On August 1, 1978, Mr. Trudeau went on television to tell the nation his government would cut $2 billion in government spending. This is one of the benefits of being around this esteemed chamber for a few years, you can look back and draw on your own experiences. I recall, having gone through ten campaigns, the many promises that had been made by these people on the other side.

With all this restraint we must ask ourselves why are the Canadian people today groaning under an onerous tax burden which siphons the money away from the private or productive sector of the economy and places it in the public or non-productive sector of the economy, thereby contributing to horrendous inflation, while at the same time building up bureaucracy? The answer is that this government has not kept its promises to restrain spending, for the figures tell an entirely different story.

In the fiscal year before its defeat last May the Liberal government spent six times as much as it did in 1968 when Mr. Trudeau first took office and it ended that year with a deficit of more than $12 billion. It seems to me that the Minister of Finance, stating in less than a whole page of *Hansard* that he wants borrowing authority for another $12 billion—that is a billion dollars a month, or a thousand million dollars a month—is showing his contempt for Parliament. That is a lot of money. That makes the Minister of Energy, Mines and Resources smile. I am sure his computerized mind was working that one over, but it is a thousand million dollars a month and we have no explanation whatsoever about the manner in which this vast sum of money is to be spent. When they do this, the government and the Minister of Finance are showing contempt for Parliament.

● (2150)

An hon. Member: Careful, now.

Mr. Crouse: Somebody over there says "Careful, now." Analyse what I have said and I think members will agree with me that, as far as the minister is concerned, we are not supposed to ask any questions about where this money is going and for what purpose it is to be used. We are simply supposed to sit here quietly while the hon. gentleman plays his bagpipes, or when he decides to tinkle those little bells that ring in the corridors. Then we are supposed to come into this chamber and rubber-stamp the measure before us. One of the hon. members over there—I think it is the hon. member for Burin-St. Georges (Mr. Simmons) keeps interrupting me. He says "Right on!" He doesn't get up and make a speech. It shows what little understanding he has of what is actually happening in Canada today.

Mr. Simmons: On a point of order, Mr. Speaker, the hon. member for South Shore (Mr. Crouse) indicates that I was interrupting him. Actually, I was trying to help the gentleman on. He suggests I might want to make a speech. Mr. Speaker,

if he would yield I would certainly like to make a few pertinent comments on the bill.

Mr. Deputy Speaker: Order. The hon. member for South Shore (Mr. Crouse) has the floor.

Mr. Crouse: Thank you, but my time is somewhat limited. I was saying we are expected to sit here and rubber stamp this measure. This is something I cannot do, for the government, by following its present course, is not showing any respect for Parliament or its representatives. I ask supporters of the government whether any of them could tell us why the executive should require these vast borrowing powers. Why is the government following a course of action which gives them more than $3 billion in excess padding over and above the minister's stated requirements, requirements which have not been explained in any detail to the House? Is this cushion required to maintain the dollar at current levels if there is new pressure against it on the foreign exchange markets because of the obvious mismanagement of the country's affairs? Or is the cushion needed to blunt and contain the adverse effects on the economy of the slow-down, the recession which unfortunately is already under way? All these questions could be answered if the government had the courage to present the House with a budget.

Why are they seeking this enormous, this tremendous, this scandalous borrowing authority without first presenting a budget to Parliament? It is unfair and unjust to ask anyone in this chamber to vote for this measure in the absence of a budget, since we have no way of knowing what to expect by way of revenues and expenditures or what will be the resulting deficit and cash requirements to be financed by borrowing for the balance of the fiscal year.

It is possible some of us might think differently about this request for authority to borrow $12 billion if the minister would open the door just a bit—just wide enough to give us a little peek at his plans. For example, his party has not been adverse in the past to adopting Conservative proposals. Sometimes the stone which the Liberals rejected becomes the headstone of their party's platform. For example, is he giving any thought to adopting our income-tested refundable energy tax credit of $80 per adult and $30 per child a year phased in over two years for the benefit of lower and middle-income Canadians, the group which is hardest hit by present-day high energy costs? Is the minister giving any thought to introducing our mortgage interest and property tax proposals, or a somewhat similar proposal, which in these periods of high interest rates and high property taxes would go a long way toward easing the burdens on our young and not-so-young home owners?

Is the minister perhaps thinking of assisting our small businesses by recognizing the contribution many wives make toward running the business and allowing them to receive salaries as a deductible business expense? Perhaps the hon. gentleman plans to encourage greater regional development by promoting investment in Atlantic fishing vessels built in Canada. This would be helpful in our area. Possibly the Minister of Finance is even thinking about our farmers and is planning some substantial relief for them from the problems caused by the taxation of capital gains when farmland is sold. These are all measures which might use up some of the billions the minister wants to borrow.

However, if I haven't scored bingo on any of my questions, surely the minister must have a shopping list of his own and surely he must realize, now, that he ought to take the House into his confidence and outline his plans to the Canadian people who, in the final analysis, must foot the bill. It is just possible we may see some action on the Prime Minister's promise in Halifax on June 25 that his party seeks to achieve energy security at a fair price for all Canadians. Among other things he promised there would be "a natural gas pipeline to ensure that all Canadians had access to their resources." Liberals, he said, would take "immediate action to begin negotiations for the construction of a natural gas pipeline to Quebec City and the maritimes." Initially, the line was to carry natural gas east, but when maritime supplies were ready the pipeline would be like a natural gas railroad with a return delivery facility as well. That was the promise. Well, it seems that the National Energy Board ruling has put a stop to that prospect, and the ones being railroaded are the people of the maritimes. We cannot have energy security at a fair price in Atlantic Canada as long as this Liberal promise remains a Liberal promise. Energy security can only become a reality for us when our own Canadian natural gas is flowing by pipeline to Nova Scotia. We need action, not promises, though it seems, looking back over the years, that we have had more promises than action.

For example, in 1974, 1975 and 1976 the government under the present Prime Minister promised to develop Canadian resources and tar sands and to promote conservation. The minister of energy at that time, Mr. Alastair Gillespie, who had been in favour of self-sufficiency in oil, was compelled to back off by the cabinet of the day in favour of a meaningless policy of "self-reliance". Obviously he was not happy, for in May, 1977, he said it was "—in Canada's interest that we should move our oil price up because any other policy would have disastrous consequences for Canadians in the future." However, despite this far-sighted prediction, the government failed to back Mr. Gillespie.

The thought occurred to me that the Minister of Finance may need these extensive borrowing powers in order to bring about some improvement in regional disparity. This has been a very promising area for the Liberals, for the Prime Minister and his followers. Campaigning in 1980, he promised to build greater economic strength in Canada's regions. In 1968, according to the record, the Prime Minister promised to end regional disparity, and I think, without reading every one of his promises, he promised to do this in the course of every election which followed.

I see, Mr. Speaker, that the hour approaches ten o'clock. In closing, I should like to say it ought not to be necessary to remind the government that promises are the paper money of principle and, like our currency, Liberal promises have been greatly devalued over 12 years of reissue. I say it is time to end

this charade. It is time to get down to the serious business of governing Canada. We need a new budget and we need one soon. In the absence of a new budget we do not know the facts about the state of our economy, we do not know the facts about the oil price agreement which the government is seeking or the effect rapid increases in oil prices will have on new cash requirements which have to be met.

The Canadian people do not realize the debt burden the government is placing not only on this generation but on generations yet unborn. This is indeed strange conduct for a government under a leader who has promised greater participation by Parliament in solving the nation's problems, a man who promised to bring about the "just society" and who, in 1980, promised to enhance individual security. How can anyone claim to be enhancing the security of individual Canadians while blatantly denying members of this House and, thereby, the Canadian people the facts about the state of the economy?

PROCEEDINGS ON ADJOURNMENT MOTION

● (2200)

[*Translation*]

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

[*English*]

ADMINISTRATION OF JUSTICE—SAFETY OF PERSONS LIVING IN PROXIMITY OF PENITENTIARIES

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, the purpose of my remarks tonight is to bring to the attention of the Solicitor General (Mr. Kaplan) the continuing inadequacy of security measures in our penal institutions with the consequent danger to the residents in the areas where these institutions are located.

Perhaps the residents of my constituency are more sensitive to the dangers than those in other areas because of the fact that we have five federal institutions in the riding, plus two more on the border, and several provincial institutions as well. There are continuing reports of escapes from several of these prisons and the rather lengthy list of incidents has had and is having a very disturbing effect upon the local population.

One of the most recent incidents, the one providing the basis of the present problem, was the escape of an inmate from Mountain prison at Agassiz, British Columbia, and the murder of a local postmaster, and this individual has now been charged with the crime. A protest rally attended by approximately 400 people was held in Agassiz where the local residents, including mayors, community leaders, school representatives and others, expressed their views and called for action to halt this kind of activity.

Numerous communications have been forwarded to the Solicitor General and others, including myself as the member of Parliament for Fraser Valley East, protesting the lack of adequate protection for residents of the community. A school has been closed because of the absence of protective measures to ensure the safety of the staff and pupils.

I should like to read a communication which I received from M. D. Dunn, the mayor of the district of Kent. It refers to communications which he had with the Solicitor General on various occasions. It reads as follows:

> Security at Mountain institution has been a major concern of council and the community for many years. By the repeated lack of action to upgrade the security your office must assume the responsibility of the event of April 28, 1980.

This is when the murder took place. It continues:

> I feel that past events show that the facilities at this institution are totally inadequate for a medium security institution and would urge that these prisoners be relocated to other more suitable institutions immediately.

Also I have a telegram from Mayor John Allen of the village of Harrison Hot Springs, and communications from residents, the school board and school principal, all calling for action to deal with this serious danger to private citizens.

The Solicitor General visited the area shortly after this tragic event and I understand he made some commitments. Unfortunately I did not receive an invitation to attend, so I am just taking my information from the reports of it that I received. Certain commitments were made. One was to tighten up security. The second was the construction of a second fence. The third was double gatehouses. The fourth was more adequate perimeter lighting. The fifth was an impact study with local input before any increase in prison population is considered.

● (2205)

May I say that there is a deeping conviction that the two institutions in Kent district, the Kent maximum security institution and Mountain prison, which is a medium security institution, are too great a burden and danger for this area to bear. In discussions with some of the elected officials, I was made aware that Mountain prison should be closed and necessary facilities to house the prison population should be located in some alternate community.

There are a number of problems that have arisen which have caused great concern. One is that apparently there has been a reclassification of prisoners and certain individuals who were previously in the New Westminster penitentiary, which is now closed, were reclassified in order to put them in a lesser security prison because maximum security facilities were not available. When there are one or two individuals who are unruly and are not observant of the rules and regulations of the prison, then trouble can be expected. That is exactly what has happened, and it is causing a great deal of concern among the general prison population.

There have also been escapes from custody when inmates were appearing before provincial court in other parts of the constituency. I have an article here which details the escape of

two inmates from the maximum security institution at Kent while appearing in court in Chilliwack. Of course, they were later charged and their sentences extended. Employees of the hospital in my constituency are refusing to provide medical care to prisoners because on a number of occasions they have been faced with incidents in which inmates have drawn knives or guns in an attempt to escape.

I am not blaming the local directors of these institutions. I am saying that the department of the Solicitor General and the minister who propounds the philosophy and implements policies which fail to protect society from those who break the law and endanger the lives of law-abiding citizens, are the guilty ones. I believe that they must be called upon to give reasons why these incidents are happening and why there is such a failure on the part of the authorities to maintain the security of the population in these areas.

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Mr. Speaker, I am very pleased to answer the question raised by my colleague, the hon. member for Fraser Valley East (Mr. Patterson) as I went to the Mountain prison a few days after the incident, and the minister also went through that area on May 10 to assess the situation and discuss with local authorities. So I am pleased to tell him the steps that have been taken during those meetings the minister had and after my report to the minister on my visit before that.

First of all, security measures including a high security double fence, a new perimeter lighting system, new security towers, a new gatehouse, all those additions amounting expenditures of some $1.2 million were immediately agreed to by the minister. The officers of the municipalities will be consulted on the plans before they are finalized. There was previous consultation and there will be consultation during the implementation of these new security measures.

In addition, the Solicitor General being aware of the conditions of the roads in the surroundings of the prisons in that area said he is also prepared to consider federal financial contributions toward the improvement of the roads. A study on the community impact will be undertaken by independent consultants before expansion work is undertaken. So, the whole situation, Mr. Speaker, will be reviewed.

Also, a system of notification including a system of audible alarm that could be heard by the residents in the area will be installed so the community will be immediately alerted if other escapes were to take place. Indeed, I would point out to my colleague, who said so previously, that there have been escapes from maximum security penitentiaries, so escapes from a medium security institution are a more likely thing.

In any case, I think those measures will contribute to tighten up security at the institution and will hopefully remedy the problems in my colleague's community.

• (2210)

[*English*]

AIR CANADA—REQUEST RETIREMENT AGE OF PILOTS BE EXTENDED

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, I rise to share with you on this occasion a matter of deep and troubling concern that Canadians are and will be experiencing at least once in their lifetime. This concern grows out of a question I posed in this House to the Minister of Transport (Mr. Pepin) on May 23 regarding the forced retirement of Air Canada pilots at age 60.

During the last two decades we have witnessed the development and establishment of various rights for cultural minorities, rights for men and women, rights for the handicapped, and even rights for gays, to name but a few. It is on this note of human rights that I ask you to focus your attention on the rights of men and women who are forced into retirement by mandatory, bureaucratic policies. As the member for Parkdale-High Park, some of my constituents are turning to me for assistance on this issue, stating that these mandatory retirement policies are not only discriminatory and unjust but are robbing them of meaningful employment and activity.

I bring to your attention, for example, the case of one of my constituents who is a 59-year old Air Canada pilot. He will be forced out of a job soon, simply because he will turn 60 years of age. This constituent, a healthy and alert individual says, simply, "I have worked almost all my life. It has been a real joy and pleasure." In his case this is grossly unjust, especially when one considers that other airlines are permitting their pilots to fly until age 65.

Another constituent of mine who works with the RCMP at Toronto International Airport is being forced to retire this year at age 55. He started working for the RCMP late in life and so, after eight years of work for the RCMP cannot retire with a very large pension. He will have difficulty finding new employment.

These are just two cases from thousands of our Canadian workers who, whether they like it or not, are being put on the shelf. Some have argued and some will argue, that persons should retire because individuals are more prone to heart attacks, strokes and other illnesses after age 60. However, as is pointed out in the report of the Special Senate Committee on Retirement Age Policy entitled "Retirement without Tears", under the chairmanship of Senator David Croll, a gentleman for whom I hold a very high regard:

> Compulsory retirement at age 65 could not be justified on medical grounds as a general rule, and for those who did not have enough income, such a compulsory system could sentence them to a life of poverty in their old age—

This has become a real danger, especially during these unstable economic times where inflation threatens pensioners.

One of the government's biggest worries for the future is that a smaller and smaller working population will have to support a larger and larger retired group. As the postwar baby boom generation reaches old age, the figures will zoom, reaching between six and eight million by the year 2031. This

problem situation will only be compounded if we continue to permit these mandatory retirement policies to be enforced. To alleviate this most undesirable situation, Mr. Speaker, I propose that this government dedicate itself to implementing the following provisions, outlined by Senator David Croll and his committee.

First, there should be amendments to the rules governing public servants and employees of companies under federal jurisdiction, as well as provincial and municipal public servants.

Second, there should be an increase in the mandatory age of retirement of one year at a time for five years, by amending pension plans or retirement rules and conventions. At the end of five years, the concept of compulsory retirement at a particular age would be dropped.

Third, there should be a review of all human rights legislation to eliminate loopholes which permit age discrimination because of employee benefits and similar plans.

Fourth, there should be created a policy of flexible retirement as the standard for both public and private enterprises.

Mr. Speaker, it is only through the elimination of these and similar discriminatory policies that Canadians will be able to make claim to their "just society". After all, if an individual wants to and is able to work, giving himself a worth-while place in society, then this government should do all in its power to preserve the healthy self-image that many receive from being actively involved in the work force of this great and mighty nation.

● (2215)

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am happy to replace the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael), and attempt to answer the question of the hon. member for Parkdale-High Park (Mr. Flis).

[*English*]

Transport Canada, contrary to the hon. member's pretension, has no retirement age for pilots. The only age requirements is that the applicant must be not less than 21 years of age at the time the licence is issued. This licence must be an airline transport pilot licence, which is a licence required to captain the type of aircraft presently in use by all major airlines' aircraft over 44,000 pounds gross allowable weight for takeoff.

Once the pilot has been issued the licence he can continue to hold it and exercise the privilege of the licence provided that he can continue to meet the medical standards based on those set by ICAO, and pass periodic flight testing to demonstrate his competency. Such testing is done by both the airline company and Transport Canada at least once a year.

At one time the International Civil Aviation Organization on which the Canadian standards are based specified that pilots who had reached the age of 60 should not be permitted to engage in scheduled or unscheduled international flights. Canada filed a difference with the ICAO and did not adopt this standard since it was considered impracticable and unreasonable.

The latest proposed revision to the international standards, circulated for comment to different organizations, no longer includes such a requirement. Medical and licensing standards are continually under review by Transport Canada and ICAO. The matter of age is always the subject of consideration.

Air Canada, like any other airline or employer, for that matter, sets its own conditions of employment which, of course, include the retirement age for its pilots. Transport Canada has no jurisdiction in such matters. It was impossible therefore for the minister to answer to the satisfaction of the hon. member.

Our responsibility is to ensure that crews are properly licensed and meet the required Transport Canada standards based on those set down by the International Civil Aviation Organization.

The hon. member referred to the special report of the Standing Committee of the Senate entitled "Retirement without Tears."

[*Translation*]

Retirement without tears. Well, it may be that he will find the answer to his question in that report and that, eventually, provincial laws and service acts can meet his request but, for the time being, nothing can be done in the Department of Transport.

[*English*]

SMALL BUSINESS—PLANS TO ASSIST BUSINESSMEN

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise this late evening hour on a question that I posed to the Minister of State for Small Businesses (Mr. Lapointe) on April 21, that same fateful evening when a mini-budget or financial statement was introduced by the Minister of Finance (Mr. MacEachen). At that time I asked the Minister of State for Small Businesses whether or not he cared about small businesses in Canada, whether or not he had specific plans for the small business community, whether he was planning to take action, and if so, what specific action he was planning to launch.

To date we have heard a number of reports in committees about the small business community and some of its concerns, and the programs being proposed have been examined. I can say with a great deal of regret and some hesitation that what I recognize so far are simply extensions of the past. These programs that are being brought forward are nothing more than programs which have been in existence for many, many years. There have been some minor alterations of what can only be considered as totally and completely inadequate. The minister is not addressing the problems of the future, the problems that face Canadian small businesses today and what

they will be facing in the years to come. At best one can say that the minister is addressing the problems of small businesses that have existed for the last few decades.

● (2220)

The minister will be the first to say there is legislation now that is of assistance to small businessmen such as the Small Businesses Loans Act. I would like to propose that that legislation is completely inadequate. I want to use an example of some persons here in our capital city of Ottawa who put their heads together. They had a fine proposal, a proposal with sound projections and sound cash flows. Four local entrepreneurs were prepared to invest their savings. They were prepared to work toward seeing their dream of a small business established in our capital city. However, to do that they needed $30,000 above their own savings. They were able to pull together $12,000 on their own. They required yet another $30,000, for most enterprises certainly a very small amount of money. They were prepared to put up for collateral, in order to go to the bank, two homes, each worth in excess of $45,000. One individual had silver bars worth at that time $15,000. Together the collateral they were prepared to put forward in order to achieve a $30,000 loan amounted to $105,000, plus a considerable amount of their own money.

First they approached two small branches of the chartered banks. They were rejected outright. They reminded the bankers that there was this Small Businesses Loans Act under which they should be able to purchase the $30,000 loan at prime plus 1 per cent. However, the banker felt they did not have enough collateral.

They then went to two of the downtown main bank branches in this capital city, again interested in applying for a small business loan under the act that should guarantee them a loan at prime plus 1 per cent. The banks said they were not particularly interested in small business at these main branches. They were not particularly interested in encouraging and supporting the small business sector of the community. Furthermore, they said they had some concern that the government was not necessarily a good guarantor and that their experience in the past indicated that the government could not necessarily be relied upon to back up these guarantees.

They had no success with our Canadian chartered banks to arrive at a $30,000 loan with a considerable amount of collateral. Then off they went to the Federal Business Development Bank. I am pleased to say that after a considerable amount of time, energy, certainly a great deal of concern, that at this place of last resort for lenders in Canada they were able to achieve a loan. The loan was at an interest rate of 18 per cent and fixed for at least a five-year period.

This is not a typical situation, but in fact the kind of story that small entrepreneurs across our country are continually bringing to Parliament. They remind us of the difficulties they have going into a bank expecting to have access to the small business loans guaranteed by the federal government. There is no risk to the bank, but the one problem, of course, is that it is only the prime rate plus 1 per cent and the bankers do not know about this act—which has been in existence now, I believe, for 19 years—and are hesitant to bring forward that money.

● (2225)

I suggest then, as a result of this experience, that the small business entrepreneur in Canada has an unbelievable challenge, and I think it was a fair question which I asked, whether the Government of Canada really cares about the small businessman in Canada.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for his remarks related to his question asked on April 21. I will try to answer it to the best of my knowledge. It might not be to his satisfaction, but at least he will have had the opportunity to make his point to the House and to other colleagues.

[*Translation*]

Mr. Speaker, in the last few months some sectors of society, including small businesses, have shown a lot of concern over rising interest rates. I think that the hon. member's question reflected this difficulty. The government recognizes that these high interest rates are a heavy burden for the citizens and businesses of Canada, but the country is also faced with serious inflation problems and controlling them is one of the government's main objective. The current level of interest rates could seriously jeopardize small businesses, but so can inflation.

I am not an economist but I know that interest rates help control inflation and maintain the value of the dollar. This may be a simplification but it is widely recognized. In the Speech from the Throne, on April 14 last, the government committed itself to help those Canadians most affected by rising interest rates including small businessmen. Two bills have already passed second reading and have been referred to the Standing Committee on Finance, Trade and Economic Affairs. Bill C-17, to amend the Small Businesses Loans Act, raises the maximum loan from $75,000 to $100,000 and provides for loans totalling $850 million which will be granted over the next two years. Also, Bill C-20 makes it possible for the Federal Development Bank to offer more financial aid to small businesses. Or again, in the more general sector, through the Income Tax Act, the government provides new fiscal measures concerning bonds for the development of small businesses and the transfer of deductions between spouses. Finally, for a longer term, the Economic Council of Canada is currently studying matters concerning small business and another study has been undertaken jointly by the Department of Industry, Trade and Commerce and the Canadian Banks Association.

Since his appointment, the Minister of State for Small Businesses has consulted with all the important associations of small businesses in Canada and he has met with a large

number of independent businessmen. It has not taken him a very long time to understand that the small business would in fact encounter difficulties in the period we are currently going through.

[*English*]

In short, Mr. Speaker, this government is addressing economic issues faced by this country, head on. It is committed to fighting inflation and it is committed to the Canadian small business community. It is committed to the short-term and the long-term solution.

I can assure the hon. member for Kamloops-Shuswap (Mr. Riis) that not all small businesses are going bankrupt. Very few, less than 1 per cent, are going bankrupt, which is a standard and recognized historical figure.

We remain very positive with respect to the opportunities which small businesses will be faced with in the months to come. We are also positive toward the government's commitment to the Canadian small business community.

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

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, May 30, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

SMALL LOANS ACT

INTEREST RATE—AMENDMENT TO ASSIST SMALL BORROWERS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In light of the fact that the Small Loans Act requires any lending institution which charges in excess of 12 per cent per year to be licensed by the federal government, and in light of the fact that such a regulation no longer makes it financially profitable for credit unions to lend small amounts of money, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the minister in charge of consumer and corporate affairs be required to introduce a bill before the end of the current session to amend the Small Loans Act so that the mandatory 12 per cent ceiling is no longer effective, thus making it possible for credit unions and other similar lending establishments to serve the people that they were primarily intended to serve—the small borrowers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN P.E.I.—REQUEST CNR REVERSE DECISION—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. This week Canadian National Railways has laid off one-half of its rail car repairmen on Prince Edward Island, with only 14 days' notice to the men involved, despite the fact that most of these men have given over 30 years of dedicated service to their employer. Four of them have given 140 years combined service. Given that those lay-offs constitute a most serious further downgrading of the railway on Prince Edward Island, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House condemn Canadian National Railways for its heartless treatment of rail car repairmen on Prince Edward Island; and, further, that this House urge CN to reverse its lay-off decision so that P.E.I. rail cars can continue to be maintained and repaired on Prince Edward Island rather than in another jurisdiction.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• 1110

INDIAN AFFAIRS

DEPLORABLE HOUSING SITUATION ON RESERVES—GOVERNMENT ACTION TO CORRECT—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the deplorable housing situation on Indian reserves all across Canada and the dissension this causes within Indian bands, and in view of the fact that Indian women on the Tobique reserve in New Brunswick are occupying the band council office in yet another attempt to receive adequate housing, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That the Minister of Indian Affairs and Northern Development look into this explosive situation and take action immediately to help the band council resolve this long-standing injustice against Indian women in New Brunswick.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

CANCER-CAUSING DRUGS IN CURED MEATS—CALL FOR BAN—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I rise to move a motion under Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that a recent study done by the Massachusetts Institute of Technology confirmed that nitrates and nitrites when consumed can cause cancer, and in view of the fact that these drugs are still being used extensively in Canada in processing cured meats such as bacon, ham, weiners, etc., which when consumed form nitrosomines, a well-known cancer-causing agent, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Department of National Health and Welfare take immediate steps to completely ban the use of nitrites and nitrates in food curing and processing, which will speed up the development of alternative methods of curing meat not harmful to the human body.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA PENSION PLAN

REQUEST PENSIONS BE ADJUSTED FOUR TIMES A YEAR—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. This is especially appropriate in view of the receipt yesterday of the report on the International Year of the Child.

Whereas the government presently adjusts old age pensions four times a year to allow for increases in the cost of living, but payments to widows and dependent children under Canada Pension Plan legislation are only adjusted once a year, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the federal government end discrimination against Canadian widows and dependent children receiving payments under Canada Pension Plan legislation and immediately begin to adjust these payments four times a year rather than once a year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL YEAR OF THE CHILD

EXPRESSION OF APPRECIATION FOR REPORT AND WORK OF CANADIAN COMMISSION—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that the Canadian Commission for the International Year of the Child has just presented to Parliament its excellent report, "For Canada's Children: National Agenda for Action", and in view of the fact that the 50 members of the commission, from all parts of Canada, contributed much time and hard work on a voluntary basis on behalf of Canada's children, I move, seconded by the hon. member for Louis-Hébert (Mr. Dawson) and, I hope, supported by all members of the House:

That this House express its appreciation to the Canadian Commission for the International Year of the Child for the outstanding work done by the commission in particular in establishing the report "The National Agenda for Action for Canada's Children."

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

Some hon. Members: Agreed.

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

Motion agreed to.

* * *

• 1115

GOVERNMENT ANNUITIES

REQUEST INTEREST RATE REVIEWED PERIODICALLY—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I hope my motion under Standing Order 43 will secure the required unanimous consent of this House, because it deals with a matter of immediate, pressing and national concern and importance.

Because Canadian government annuities have been bearing interest at only 7 per cent since 1975, when a promise was made to review that interest rate, and with the interest rate now standing at over 11 per cent, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House require the government to live up to the undertaking given in February, 1976, by the then minister responsible for the annuity program, Mr. Robert Andras, to the effect that "both the increase in the rate of interest and the percentage increase in the annuity (at maturity) will be subject to periodic review" and, in addition, that the government be required to take appropriate steps so that adjustments may be made from time to time to keep the interest rate on government annuities more closely aligned to interest rates in the marketplace.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

REFINERIES TO UPGRADE HEAVY OILS—GOVERNMENT ASSISTANCE

Hon. Bill Jarvis (Perth): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. He will recall that on May 15, in a speech, he indicated government involvement to fulfil the very obvious need for refineries in Ontario and in Quebec to instal facilities to assist in heavy oil upgrading to maximize, of course, the productivity of the crude oil they process. One of the refineries he mentioned specifically in that speech was the Ultramar Golden Eagle refinery at Quebec City. I wonder if the minister could advise the House today if this upgrading at this particular refinery includes government assistance such as grants, loans and tax benefits.

Specifically, because he indicated in the speech greater access by that refinery to Canadian crude, can the minister confirm that he proposes to allocate Ultramar an additional 50,000 barrels a day, or some such approximate amount, of Canadian crude which would be diverted from the Montreal area refineries, which refineries receive this crude through the Sarnia-Montreal pipeline?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there is no intention to provide for grants or subsidies for this particular conversion at the Ultramar refinery. However, in order to achieve the purpose we are trying to achieve, of upgrading the treatment of oil at that particular refinery, we are working on an arrangement whereby greater access to Canadian domestic oil will be provided to the Ultramar refinery. Obviously, this will imply reallocation between the various other refineries at the present time. That is in the works and I expect that it will be worked out very shortly.

Mr. Jarvis: Madam Speaker, when the minister refers to "other refineries", my information was that it was the Montreal area. The minister may wish to confirm that. What concerns me—and the minister will recall, because many of his colleagues raised it last year—is that it was Ultramar which cut off so many Quebec and Ontario independents. There was one in my own riding as well, so it was not a problem unique to Quebec.

However, would such diversion not be against the advice of department officials, who were informed of numerous accusations made against Ultramar to the effect that Ultramar shorted its Quebec City refinery by selling about 50,000 barrels a day on the spot market in order to secure higher profits? There are those accusations on the one hand, and on the other hand there is the vulnerability of the small Canadian independents in both Quebec and Ontario who rely very heavily on that refinery and were cut off arbitrarily.

• 1120

That company does not enjoy the best reputation in the industry, and I am wondering what we are doing to ensure that the situation will be improved by that particular refinery

[*Translation*]

Mr. Lalonde: I am indeed quite pleased to see that my colleague is raising that very important question and I can assure him that it is one to which we attach much importance. I already had the opportunity to meet with the independent dealers of Ontario and Quebec and we discussed the matter. I also had the opportunity to meet with some representatives of Ultramar and to point out our dissatisfaction about the situation in recent years. The developments to which we are now referring should boost the production of that refinery and make it available to independent dealers. We intend to follow the matter closely and see that independent dealers are truly protected so that there will be no discrimination against them compared with the dealers related to the multinationals. The Ultramar project should increase the heating oil and gas available while the Petro-Canada project to build a large upgrading refinery in eastern Montreal should also encourage in the years to come an increase in gas and other petroleum products available to the independents. We keep this question constantly in mind while we are working out the developments that have been announced.

[*English*]

Mr. Jarvis: I have a final supplementary question, Madam Speaker. I hope the minister will go beyond expressing dissatisfaction, because he is in a very excellent bargaining position. In that regard, my final supplementary deals with the government's pledge to Canadianize the industry.

As the minister knows, Ultramar is 100 per cent foreign owned. He indicated in a speech that he had secured certain undertakings from Ultramar, although not respecting Canadian ownership. Given the minister's excellent bargaining position, given the pledge with respect to the Canadianization program, what undertakings, if any, is he seeking from Ultramar with respect to the Canadianization of its Canadian subsidiary?

Mr. Lalonde: I am very pleased that the hon. member recognizes the excellent work done by the government.

Mr. Jarvis: I did not say that.

Mr. Baker (Nepean-Carleton): Don't read too much into that, Marc.

Mr. Lalonde: I am glad he recognizes the excellent work already done by the government in this field. On the question of Canadianization, I want to say that I think we should approach this as a broad issue, rather than on a single refinery basis.

An hon. Member: You have to start somewhere.

Mr. Lalonde: The government is at present working on such a broad approach. Some steps have already been taken such as, for instance, the announcement yesterday by Alberta Gas and Petro-Canada that they will build, together, the first totally Canadian-owned major tar sands plant. This is a major development in the field of mega projects owned and operated by Canadians.

So far as ownership in the area of refineries, or in the industry generally, is concerned, this is a matter upon which we are working at present. I think it should be presented as a whole package, rather than being approached on the one-by-one basis as at present.

ULTRAMAR REFINERY—TRANSFER OF CANADIAN EMPLOYEES

Mr. Harvie Andre (Calgary Centre): I have a supplementary question to the same minister, Madam Speaker. In a speech on May 15 in Montreal, the minister indicated he had an understanding from Ultramar to complete this upgrading facility on condition that the federal government would direct to it Canadian crews from other Montreal refiners.

However, as the minister should be aware, under the 1979 agreement with FIRA, related to Ultramar's purchase of Canadian Fuel Marketers, Ultramar is required to build an upgrading facility. My question to the minister is very simple: why is he now bribing Ultramar to do what it is already required to do under the FIRA agreement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it is certainly not a question of bribing anybody, and Ultramar in particular. It is a question of reducing our dependence on imported oil, increasing the higher processing, the upgrading of oil through our refineries in Canada. This is going to be achieved, and the net result will mean, I hope, reducing our dependence on foreign oil.

• 1125

I think this is a very welcome development in terms of the refineries in Sarnia, in terms of the refineries in eastern Montreal and what Ultramar will do at the present time.

Mr. Andre: Madam Speaker, the minister has not answered the question as to why he is penalizing the Montreal refiners to benefit this Quebec City refiner; why he is allocating profit among companies.

As the minister is aware, refineries in Atlantic Canada are suffering just as serious a problem with excessive residuals. Indeed, the Gulf refinery in Point Tupper will be shut down for three months, laying off workers in Cape Breton, as a result of the same problem.

Why has the minister chosen through direct government largesse to assist this company, which apparently is no more worthy than any other company, and in some people's eyes is considerably less worthy than other companies? Why is he not giving Atlantic Canada refiners the same kind of assistance, since their problem is, if anything, more serious?

Mr. Lalonde: Madam Speaker, at the present time the question is to try to do upgrading at refineries which have the volume and can do that upgrading on an economic basis. This seems to be the case. If the Gulf refinery thinks they can still do it on an economic basis without having to call upon the government for subsidies of various kinds, then we will be very happy to look at it.

* * *

THE CANADIAN ECONOMY

ECONOMIC STIMULUS—STATEMENT OF GOVERNOR OF BANK OF CANADA

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. The motion which brought down the previous Conservative government and was supported by those who make up the present government called specifically for economic stimulus.

Considering that the governor of the Bank of Canada once again yesterday, but this time publicly and totally, repudiated precisely this policy, I should like to ask the Minister of Finance if he will now call for the resignation of the governor of the Bank of Canada.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not read the remarks of the governor of the Bank of Canada in detail, whom I understand appeared before the Senate banking committee yesterday. I would doubt whether anything in his speech would induce me to take the reckless and irresponsible course of action suggested by the hon. Leader of the New Democratic Party.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I doubt that anything would cause the present Minister of Finance to do anything.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to ask the Prime Minister how his government can keep in office a man so insensitive and so biased as the governor of the Bank of Canada who says that we, as a country, should "hold firm" in fiscal policy at a time when the economy is operating at only 85 per cent capacity, when more than one million Canadians are out of work and the depression both in this country and in the United States is getting worse every day.

In short, how can he keep in office a man who publicly repudiates his own government's policy and harms seriously the economy of Canada?

Mr. MacEachen: Madam Speaker, I take strong exception to the statements made by the Leader of the New Democratic

Party. Compared to the policies advocated by the hon. member and those advocated by the governor of the Bank of Canada, the governor of the Bank of Canada is a public benefactor in comparison with the Leader of the New Democratic Party, who not so long ago asked the House of Commons through a motion to direct the governor of the bank to decrease interest rates by at least 2 per cent. Since that time, interest rates have decreased by more than 2 per cent. If we had followed the hon. member's course of action, the economy would be subjected to greater rates than we have at the present time.

• (1130)

* * *

Mr. Broadbent: Madam Speaker, I point out to the minister that calling for a drop in the interest rates in fact precedes what was actually done. I do not know how the minister can object to that. Considering that he and his party supported the motion that brought down the Conservative government in December—

An hon. Member: So did you.

Mr. Broadbent: —on the grounds of policies that we still maintain, is he now repudiating his own government's policy when they were in opposition?

An hon. Member: They didn't have a policy.

Mr. Broadbent: Or is he now taking on that great 1920s disease known as "Boueyitis", which means that we can expect continuous unemployment throughout the rest of this decade in this country?

Mr. MacEachen: No, Madam Speaker, I have not repudiated any policies that the Liberal party advocated while in opposition. I would say to the Leader of the New Democratic Party that he is not contributing to public debate or economic understanding in this country by personalizing the debate in the way he has done today.

Mr. Broadbent: It is policy.

Mr. MacEachen: I certainly believe that the governor of the Bank of Canada has followed a responsible monetary policy that has resulted in a very significant drop in interest rates without bringing about the inflationary consequences that the hon. member—

Mr. Broadbent: You are following the American rate, and you know it.

Mr. MacEachen: —was advocating just a few weeks ago. I say, Madam Speaker, thank God there is a force in the country that is preventing the hon. gentleman's ideas from being implemented.

Mr. Baker (Nepean-Carleton): You just destroyed the coalition.

Oral Questions

ENERGY

EXPORT TAX ON NATURAL GAS

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. On May 13, the B.C. energy minister said that the federal minister of energy would not give an assurance that an export tax on natural gas would not be imposed on British Columbia gas exports.

During the election campaign, on February 13 Mr. Gordon Gibson, a three-time federal Liberal candidate, former Liberal MLA, past member of the Prime Minister's staff and past leader of the Liberal party in B.C., said:

> An export tax on natural gas was considered by the government in 1974 and abandoned after representations from the producing provinces. It has not been considered since, and does not form a part of the energy policy of the Liberal party. That is the stand of B.C. Liberals. It is also the stand of party energy spokesman Marc Lalonde and he confirmed that Monday.

Would the minister clarify the misunderstanding he left in British Columbia, and confirm that this Liberal government will not put an export tax on British Columbia gas?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have had meetings with the minister of energy for British Columbia. We have considered many alternatives. The question of an export tax on gas is obviously one of the various alternatives being considered. The hon. member will have to wait for the conclusion of our negotiations and discussions before he can reach any conclusion as to what will, or will not, come into effect.

Mr. Fraser: A supplementary question, Madam Speaker. The Minister of Finance just said that he was not going to repudiate any Liberal promises made while in opposition. The Minister of Energy, Mines and Resources seems quite prepared to do so. I find the minister's answer is a waffle and his answer is disgusting because it borders on dishonesty.

Would the minister come clean and confirm the election undertaking of the Liberal party, because he is making a liar out of Mr. Gibson, if not himself.

Mr. Lalonde: If the hon. member wants to look at the energy policy, or stand, of the Liberal party during the election, I suggest he should look at the official policy statements of the party. They are there for everybody to read and see. They were announced by the Prime Minister, by the leader of the Liberal party, during the election and I suggest the hon. member refer to them. We will stand by the policy statements that we enunciated during the campaign.

Mr. Baker (Nepean-Carleton): You just destroyed Gibson.

Mr. Nielsen: So Gibson is the liar?

Oral Questions

ADMINISTRATION OF JUSTICE

DENIAL OF COUNSEL TO DEFEND MEMBER OF RCMP

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. As the minister knows, Sergeant Al Godin, a 20-year veteran of the RCMP and a member of the security service, has been charged under the code of offences in the RCMP Act with respect to certain allegations of smoking marijuana, based on the allegations of another member of the force. He requested the right to counsel at his trial, and has been denied that by the force.

Will the minister assure the House that minimum standards of justice, such as the right to retain counsel, will be accorded to Sergeant Godin in circumstances where his reputation, his livelihood and his future are in peril?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as I understand the situation, we are not dealing with a trial but with an internal discipline proceeding of the RCMP. I agree with the hon. member that the present procedure is unfair. I want to point out that its unfairness was noted by the Marin commission in 1976, when it made recommendations for change.

These recommendations are the subject of legislation which is under consideration by the government and which was referred to in the throne speech. It is a high priority of the government that it should be brought forward. When it is brought forward, I hope it will receive rapid consideration and approval by this House, so that the RCMP will have at least as fair a system, if not more fair, than that which applies to other police forces in Canada.

Mr. Speyer: A supplementary question. Will the hon. minister agree with me that under the code of offences in the RCMP Act there is nothing to prohibit him from having the right to counsel now? Will he recommend to the commissioner of the RCMP that this man, whose livelihood and future are in jeopardy, be able to retain counsel to dispute the allegations made against him? Will the minister make that recommendation?

Mr. Kaplan: Madam Speaker, I am looking into the matter. I undertake to speak to the commissioner about it and to take whatever action is appropriate.

* * *

THE CONSTITUTION

CONSULTATION WITH INDIAN AND INUIT PEOPLE DURING CONSTITUTIONAL CONFERENCES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Prime Minister. Yesterday, in reply to a question from this side of the House, the Prime Minister indicated that Indian and Inuit people would be fully consulted during the constitutional conferences or prior to any change in the constitution that may affect them.

I should like to ask the Prime Minister if his definition of "consultation" is the one that his government used when employing the *force majeure* clause under the Syncrude agreement, which was a telephone call to the minister of energy in Alberta an hour before the announcement, or to the partners of the Syncrude agreement who read it in the newspaper, or is it duly defined consultation in the context of telling members from the west, in the throne speech, that he would be consulting them on things pertinent to the west?

I receive once in a while, and I have been twinned but I have not had the privilege of meeting my twin. Is that the kind of consultation? Would the Prime Minister please define it? I would really like to know.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not sure if we heard an argument or a representation; but if it was the latter, I would indicate to the hon. member that I will be meeting with his leader, the right hon. Leader of the Opposition, on Wednesday to discuss constitutional subjects. Perhaps the hon. member could make his precise claims known to me through his leader.

* * *

INDUSTRY

WORKERS LAID OFF AT MASSEY-FERGUSON PLANTS—REASON THEREFOR

Mr. Derek Blackburn (Brant): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. It concerns the announced lay-off yesterday of some 5,000 Canadian Massey-Ferguson workers in the city of Brantford, and also in Toronto. The plant is shutting down for three months—August, September and October.

Could the minister tell this House if he has had any indication whether this is a short-term problem due to high interest rates and prairie drought, or is the beginning of a recession in the farm implement industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have asked my officials to get me a full report on this very serious situation. I understand that Massey-Ferguson has reported to the press that sales of tractors in the industry as a whole in the United States have been down some 40 per cent, and combines down some 45 per cent. This has been reflected in their decision.

I understand that of the three-month period, the first month, August, is the normal shutdown period. Obviously, the decline in sales has led to this decision which is very seriously affecting large numbers of Massey-Ferguson workers both in Canada and in the United States. I will report as quickly as possible to my hon. friend on the results of the investigation I have asked my officials to undertake.

• (1140)

Mr. Blackburn: Madam Speaker, while the minister is going to undertake what he has just promised, I would also like to

ask if he would inquire whether the company deliberately chose September and October to reduce inventory, due to the fact that the union and the company are currently in negotiations, with the current contract expiring, mysteriously enough, on September 1?

Mr. Gray: I will ask that the report cover that area as well, Madam Speaker.

* * *

BANK ACT

REFERENCE OF SUSPECTED FRAUD TO INSPECTOR GENERAL OF BANKS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance, to whom I have given notice. I would like to refer the minister to a letter dated March 21 which he received in his office from an Ottawa constituent. This constituent seems to have been the victim of fraud by the Bank of Montreal located at 1247 Wellington Street, Ottawa.

Since the Inspector General of Banks, according to the Bank Act, is empowered to investigate banks only for solvency, and not for suspicion of fraud, and is required to refer suspicions of fraud to the minister, why did the minister in a case of suspicion of fraud over which the Inspector General has no control or authority refer the matter to the Inspector General of Banks?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I realize that the hon. member is interested in this particular case and I thank him for having brought it to my attention.

I have asked the Inspector General of Banks to provide me with all the possible information. When that comes forward, I will consider it and be in touch with the hon. member.

Mr. Friesen: Madam Speaker, I guess the buck is going the circular route. I ask the minister whether he will now get in touch with the commercial crime section of the RCMP, asking them to conduct an investigation of this matter.

Mr. MacEachen: Madam Speaker, if that course of action is indicated when I have more facts I will consider it, but I think it may be a bit premature at the present time to launch a criminal investigation.

* * *

HOUSE OF COMMONS

PROTECTIVE STAFF—WEARING OF SERVICE RIBBONS ON SUMMER UNIFORMS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Veterans Affairs. It is in respect of veterans serving on the security staff of the House of Commons who also served with pride in the armed forces.

These veterans have been directed not to wear their service ribbons on their summer uniforms. I would ask the minister whether he is aware of that. If so, is this a recommendation of his department? Will he look into the matter?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, I will certainly look into the matter. I am not really conscious of this, but it is not a recommendation of my department.

* * *

ADMINISTRATION OF JUSTICE

DEALING WITH GRIEVANCES OF RCMP OFFICERS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I should like to follow up briefly on a question asked by the hon. member for Cambridge of the Solicitor General, whose answer reassured me.

I would like to ask him to be a bit more forthcoming and to tell the House when he proposes to do something more tangible to bring into effect the legislation to which he earlier referred. I want to ask him to repeat his commitment to do something to solve the long-standing grievances of several RCMP officers whose names he is well aware of—McCleery, Brunet, Danch, and people of this type—and also to report briefly whether he has looked into the situation whereby many members feel uneasy about the fact that they appear to be under pressure simply by being associated with a lawfully constituted association of the RCMP?

Hon. Bob Kaplan (Solicitor General): Each of the cases, Madam Speaker, to which the hon. member refers is different, and I would deal with any one if the hon. member wanted to ask a specific question about it. Generally, the legislation is not yet completely drafted. The opposition, when it was in government, was working on it. I am working on it much more quickly and I hope I will be able to bring it forward, at least for first reading, before the break for the summer.

* * *

THE CONSTITUTION

PARTICIPATION OF NATIVE PEOPLE AND NORTHERNERS IN CONSTITUTIONAL DISCUSSIONS

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is to the right hon. Prime Minister. The Prime Minister has consistently refused to make clear his intentions on native people and the constitution, and he has directly refused the participation of elected members of the Yukon and Northwest Territorial governments in constitutional discussions.

I would like to ask the Prime Minister to clarify what his real intentions are regarding natives and the constitution, and to ask him to reverse his decision of yesterday which denies elected representatives of northern peoples' participation in the June 9 talks, so that northern Canadians are accorded the

same status and respect as Canadians living in the ten provinces.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, with regard to the role to be played by the native peoples and their leaders, I made a lengthy statement about three weeks ago at a meeting with those leaders and I would be happy to send a copy of it to the hon. member. I summed up the essence of it yesterday when I said they would be involved in discussions on any aspect of the constitution which directly affected them.

In so far as the Yukon and the Territories are concerned, Madam Speaker, I have not invented or created their status. They do not have the status of provinces. Under the constitution and under the constitutional conventions, the participation of the Territories is not needed for constitutional change, much as their advice has been, and will be, sought. That may be different if in days to come they achieve the status of provinces. But for the time being I repeat that the constitution and constitutional conventions do not provide room for the Territories as such to be negotiators on constitutional change, no more than they provide room, for instance, for the elected representatives of municipal governments who are legitimately representing the interests of the municipalities in which they are elected. They have no *locus standi,* in the legal sense, in constitutional discussions. That is the situation as the constitution states it, Madam Speaker.

Mr. Ittinuar: My supplementary question is to the Prime Minister, Madam Speaker. We make a modern and reasonable request and we get praetorian justice and anachronism. Perhaps in his esoteric plans for artificial insemination of the country, the Prime Minister can reveal just what his plans are for political and constitutional development of the Yukon and the Northwest Territories.

Mr. Trudeau: Madam Speaker, that is an entirely different subject. There have been various reports, and a very recent one by Mr. Drury, on that subject. The government intends to deal with it and bring the House into the discussion on how it should be dealt with. But the hon. member knows that there are some people who feel that the Territories should be given provincial status, and some who feel that they should not. That is a matter for discussion here, not for discussion in the presence of the premiers at a constitutional conference.

PARTICIPATION OF REPRESENTATIVES OF YUKON AND NORTHWEST TERRITORIES IN CONSTITUTIONAL DISCUSSIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Prime Minister. I am sure the people in both territories will resent their equation to municipalities in talks as important as those that are going to be conducted after June 9.

While the Prime Minister is, in a very dry way, absolutely correct in saying there is no need for participation under an act passed in 1867, in this day and age, in the 1980s, will he agree to put the proposal to the provincial premiers on June 9 that some form of input by the elected representatives of the two territories be accepted? I think he will find a good number of the provincial premiers very responsive to the suggestion that the government leader of the Yukon, for instance, and an elected member from the Northwest Territories have some kind of direct input to the discussions after June 9.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can understand the member of Parliament for Yukon making that representation, but I can assure him that equally valid and strong representations have been made at various times by mayors and reeves for their participation in constitutional discussions.

An hon. Member: They are represented by their provincial governments.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am surprised at the groaning coming from the Conservative side.

An hon. Member: That is not the same thing.

Mr. Trudeau: Of course it is not the same thing, Madam Speaker, and that is the point I am attempting to make.

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, we have the roaring Fraser over there making more noise than the river that bears his name.

Some hon. Members: Oh, oh!

• (1150)

Mr. Trudeau: I am telling the member from the Yukon that municipalities, in terms of numbers represent many more people than live in the Yukon and the Territories combined, yet they are not sitting down at the constitutional table with us. Perhaps they should, and perhaps the constitution should be written differently. But for the time being I am respecting the letter of the constitution and the spirit of it.

* * *

CUSTOMS AND EXCISE

DUTY REMISSION ON IMPORTED SAIL BOATS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I am tempted to ask the Minister of Transport a question today, but I will let him catch his breath from yesterday. I will direct my question to the Minister of Finance.

I previously asked the minister's colleague, the Minister of Industry, Trade and Commerce, about duty remission on sail boats over 25 feet. As the Minister of Finance, you have the

power to grant that duty remission, and I understand representation has been made to you in that regard. Could you give us the status of that decision, when it might be received, and what is happening in that regard on duty remission?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance): Madam Speaker, we have had a close look at the request for the duty remission mentioned by the hon. member which we must take into account in the study of the over-all stituation in the Canadian industry. We will be making recommendations in the near future and our decisions will take into consideration the interests of the Canadian industry and other businesses involved in that sector.

* * *

[*English*]

THE CONSTITUTION

PARTICIPATION OF REPRESENTATIVES OF YUKON AND NORTHWEST TERRITORIES IN CONSTITUTIONAL DISCUSSIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary to the question asked by my colleague, the hon. member for Yukon. The Prime Minister did not answer that part of the question which asked if the Prime Minister would propose to the provincial premiers on June 9 that an arrangement be found so that elected representatives of the Council for the Yukon could participate directly in constitutional discussions. Are we to interpret from the Prime Minister's failure to reply to that part of the question that he refuses to make such a proposal?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker.

Mr. Clark: Madam Speaker, I am interested in the lengthening list of matters that appear to be closed for constitutional discussion. The Prime Minister, not long ago in this House, indicated that everything was negotiable except one or two basic principles, which he had stated. He is now indicating that he is not prepared to negotiate and not prepared to consider the participation of elected members of the Yukon and the Northwest Territories councils at subsequent constitutional talks. He has, in the course of recent days, indicated other matters which he is reconsidering are negotiable.

Would the Prime Minister, prior to June 9, indicate to the House of Commons exactly what is the list now of non-negotiable matters in his mind as we go into the June 9 meeting?

Mr. Trudeau: Madam Speaker, I suspect the question is somewhat argumentative. I have made my position clear, that apart from the basic form of federalism and the basic rights of Canadians, everything is negotiable. But I have not said that it would be negotiated on June 9.

FORESTRY

UNEMPLOYMENT IN FOREST AND LOGGING INDUSTRIES—PLANS TO PROVIDE EMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Finance regarding the very serious situation in the forest and logging industries in the country.

Statistics Canada recently informed the House that the unemployment rate for men and women presently working in the forest and logging industries is now at 40 per cent, which represents a 300 per cent increase in the last six months. I would ask the Minister of Finance whether he and his government take this crisis seriously. Also, would the minister indicate to us what plans he and his government have to get these men and women back to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the condition of the particular industry to which my hon. friend refers is obviously the result of a number of other factors that are operating in the economies of both the United States and Canada.

When the government reaches decisions affecting this particular industry, I will make sure that the House is informed.

Mr. Riis: Madam Speaker, I find it unacceptable that the Minister of Finance would suggest that 40 per cent unemployment in an industry which stretches from coast to coast—it is not only focused in central Canada—is experiencing such devastating conditions and he is not prepared to indicate clearly to this House what he and his government plans to do about it. Is the minister saying that he is not planning to say anything at this point in time, in terms of alleviating this crisis?

Mr. MacEachen: Madam Speaker, I believe the hon. member has misunderstood my response.

Some hon. Members: Oh, oh!

An hon. Member: We understand very well.

Mr. MacEachen: I told the hon. member that when any decisions are taken relating to this industry, the House would be informed first.

* * *

COMMUNICATIONS

LEGAL ACTION AGAINST OWNERS OF UNLICENSED EARTH STATIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Communications. Earlier this week, in Vancouver, the chairman of the CRTC indicated in a speech before the Canadian Cable Television Association that the government intends to lay charges against the owners of unlicensed earth stations receiving satellite signals.

Can the minister indicate what the involvement of the Department of Communications has been in this incident, and can he indicate whether it is the policy of the government to lay charges against Canadians living in remote areas of the country who have banded together to put up earth stations because they are unable to receive a variety of Canadian signals off air?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I would like to inform the hon. member that there are two parts to the policy being pursued by the government in this respect. The first part is to try to reach the root of the problem and to have a variety of television programs available to residents of remote or nonmetropolitan communities in Canada.

However, at the same time we have responsibility to enforce the law. We expect that the solution to the first part of the problem—extension of services to northern communities—will result from the present hearings of the CRTC on this very subject: we expect to have a report from the CRTC around June 15.

In the meantime, there are instances in the country where some unlicensed operations are interfering with licensed cable operations. The CRTC and the Department of Communications are watching and following the situation closely. At the request of the CRTC, we have started an investigation to make evidence available toward the prosecution of some of these cases.

Mr. Beatty: Madam Speaker, in a published report by the Canadian Press, the CRTC estimates that there are currently some 700 unlicensed earth stations in Canada. May I ask the minister, in how many instances does he expect prosecutions to be launched? In particular, is the government considering launching prosecutions against the Manitoba Telephone System, the provincially-owned company which is currently distributing American satellite signals without a federal licence?

An hon. Member: A Conservative businessman is doing it.

Mr. Fox: Madam Speaker, this is the first time I have heard of the figure 700. The figure I have heard up to now within my department is something closer to 70, with a possibility of it being as extensive as 200.

As far as the Manitoba Telephone System is concerned, I sent a telegram last week to the minister responsible, Mr. Enns, requesting him to obey Canadian broadcasting legislation.

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EXTERNAL AFFAIRS

APPOINTMENT OF AMBASSADOR TO UNITED STATES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Secretary of State for External Affairs. As the minister is aware, the top career post in the foreign service is that of ambassador to Washington.

Would the minister assure the House that any new appointment to this position will be drawn from the public service, that is, a career foreign service officer, as has been the case with all governments since World War II.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the government does not have under consideration any new appointment to Washington at this time.

Miss MacDonald: Madam Speaker, I am sure the minister is as aware as I am that there is considerable discussion going on about this particular appointment. He is also well aware, I am sure, of the very low state of morale among the Foreign Service Officers' Association—

Mr. Trudeau: It is getting better now.

Miss MacDonald: —because of his hasty implementation of the Steers report. Would the minister assure us that he will not further aggravate that state of morale by the appointment to the top career post of a person from outside the ranks of the public service?

Mr. MacGuigan: Madam Speaker, there is a tradition in this matter in which the opposition has had a part. But I want to say that we have complete confidence in our present ambassador in Washington.

An hon. Member: Jean Wadds will love that one.

• (1200)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there were a number of questions raised in the House yesterday and on previous days to which I would like to give answers. Would that be acceptable?

Some hon. Members: Order.

Madam Speaker: I am afraid the hon. minister will have to wait until some further questions are put to him.

ROUTINE PROCEEDINGS

[*Translation*]

HUMAN RIGHTS

TABLING OF REPORT "FOR CANADA'S CHILDREN, NATIONAL AGENDA FOR ACTION"

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, under Standing Order 41(2), I should like to table, in both official languages, the report entitled "Pour les enfants du Canada, Programme national d'action", "For Canada's Children, National Agenda for Action".

[*English*]

ENERGY

TABLING OF AGREEMENT BETWEEN CANADA AND MEXICO ON INDUSTRIAL ENERGY CO-OPERATION

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I would like to table in both official languages the agreement between the Government of Canada and the government of Mexico on industrial energy co-operation signed on May 27 of this year.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, the following questions will be answered today: Nos. 126, 187, 277, 291, 359, 637 and 826.

[*Text*]

OFFICIAL SECRETS ACT

Question No. 126—**Mr. Cossitt:**

1. Do any provisions of the Official Secrets Act differ with present government policy and, if so, what are they?

2. Does the government intend to amend the act and (a) if so, on what date will such amendments be introduced (b) if not, for what reason?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): The government does intend to review the Official Secrets Act. Until that review is complete, it would be premature to speculate as to the timing or nature of any amendments that may be proposed. In this regard, the recommendations of the McDonald commission will have to be taken into account.

CANADIAN COMMERCIAL CORPORATION

Question No. 187—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canadian Commercial Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Ed Lumley (Minister of State (Trade)): In so far as the Canadian Commercial Corporation is concerned:

1.	1977	1978
Total revenue	$281,641,987	$276,118,333
Net earnings	Nil	$ 1,116,757
Deficit	$ 1,681,470	Nil

2. (a) Parliamentary Appropriations:	1977	1978
Administrative costs	$6,259,453	$7,271,889
Contract losses reimbursed	$1,983,201	$3,000,000

(b)	1977	1978
Loans for the Consolidated Revenue Fund as at March 31	$5,800,000	$3,300,000
Advances from the Consolidated Revenue Fund as at March 31	$10,000,000	$10,000,000

(c) There was no investment by the government in the corporation either before or after any write off.

NATIONAL MUSEUMS PURCHASE ACCOUNT

Question No. 277—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the National Museums purchase account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Museums as follows:

Fical Year	Amount
1975-76	$4,220,000
1976-77	2,120,000
1977-78	570,000
1978-79	2,120,000
1979-80	2,045,000

NORTHERN TRANSPORTATION CO. LTD.

Question No. 291—**Mr. Herbert:**

1. (a) What was the amount paid by the government for the purchase of Northern Transportation Co. Ltd. (b) in what form was the payment made and to whom?

2. Was there any outstanding indebtedness at the time of purchase and, if so, what was it?

3. What was the authorized (a) share (b) issued capital of the company at the time of purchase?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows:

1. (a) Northern Transportation Co. Ltd. was a wholly-owned subsidiary company of Eldorado Gold Mines Ltd. and was shown as an investment on the balance sheet of that company at $152,000 when in 1944 the Eldorado Gold Mines was expropriated by the federal government. See also answer to question 290 answered May 26, 1980.

(b) See (a) above.

2. It is not possible to establish any indebtedness due to the manner in which NTCL was acquired.

3. (a) Authorized share capital of Northern Transportation Company Ltd., as of 1944 was 2,500 shares of $100 each.

(b) Issued share capital at the time of purchase was 1,520 shares of $100 each.

DEPARTMENT OF THE ENVIRONMENT—EMPLOYEES

Question No. 359—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of the Environment (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

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

1. (a) 77 (b) (i) 9 (ii) 1

2. (a) 64 (b) (i) 9 (ii) 0

3. Impact of structural changes

Date	No. of SX's	No. of Francophones	No. of Females
DOE with Fisheries March 31, 1979	77	9	1
DOE without Fisheries April 2, 1979	54	6	0
DOE with Parks June 8, 1979	64	9	0

LABOUR CANADA—PUBLIC RELATIONS

Question No. 637—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Labour?

Hon. Gerald Regan (Minister of Labour): Twenty-two.

MARINE BIOLOGICAL STATION, ST. ANDREWS, N.B.

Question No. 826—**Mr. Howie:**

1. As of December 1, 1979, how many persons were employed by the Marine Biological Station in St. Andrews, New Brunswick?

2. What is the operating budget of the Station for the current fiscal year?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):
1. One hundred and seventeen employees.

2. The operating budget for the current fiscal year is $2,800,000.

[*English*]

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

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

Some hon. Members: Stand.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED LACK OF GOVERNMENT RESPONSE REGARDING AGRICULTURAL DROUGHT AND FOREST FIRE EMERGENCY

Mr. Bert Hargrave (Medicine Hat) moved:

That this House deeply regrets the government's lack of response in the House of Commons to concern about the disastrous western agricultural drought and the related forest fire emergency and calls on the government to abandon its secretive approach and consult with MPs of all parties in an open and forthright manner.

He said: Madam Speaker, may I say at the outset that I think drought is a most appropriate subject for debate on an opposition day on this Friday afternoon in Ottawa.

Before I get into the main content of my comments about drought, I want to make a brief remark and an obvious one about rain. I am referring, of course, to some good rains that began a week ago today in western Canada, mostly in Alberta. I would say very briefly that they were heaven sent and very, very welcome. They began last Friday afternoon and it seems that most of the heaviest rains followed along the foothills, along the western side of Alberta. The city of Lethbridge reported a three inch rain and Raymond, in the southwest corner of Alberta, was reported to have had five to six inches of rain, which is a very heavy rain. Incidentally, that rain lasted over a three to four day period.

In the southeast corner, my corner, Medicine Hat, we received a maximum of about one and a half inches. That was spread over about four days. I would say the heavy rains seemed to extend northward in Alberta and covered a good bit of the forest fire area in northern Alberta. Of course, that was a welcome change in the weather pattern. I would say it is not what we call a general rain, but over the weekend there was a series of showers which was very, very beneficial.

In Saskatchewan and Manitoba the situation is not nearly as good. The rainfall is considerably less, beginning right at the Alberta border and working east. Some areas, such as the Swift Current area, received hardly any rain. In Manitoba it is my understanding that the same situation exists, that is, very skimpy rainfalls over most of the province.

In spite of this very welcome rain—actually it is the first since early last fall—and in spite of the CBC's very glib

statement on the first day of the rain that the drought was over, I would say that the western drought definitely is not over. The considerable and substantial implications and aftermath of this drought are still with us. The western agricultural drought is certainly not over and that is what I want to talk about in the remainder of my remarks.

Let us examine this drought, its extent and the implications that flow from it. It begins in the interior of British Columbia and covers all of Alberta, Saskatchewan and Manitoba. To the south it goes well into the United States, covering all of those border states along our western provinces, including what is known as the American northwest corn belt. Its northern extension in Canada is significantly further north than a drought has ever been known to extend before. I am thinking of the 1930s and the drought in 1977. In the north it extends right across the four western provinces as well. The extreme forest fire situation from British Columbia across Canada and well into northern Ontario is, of course, directly related to, and is an extension of, the southern prairie drought.

The current drought began early last fall across the west and it extended right through the winter. Yes, it is possible to have a winter drought; we had one last winter. The snowfall was exceedingly light, not only on the prairies but even across Ontario and into Quebec. In our short grass country, and that is usually the chinook belt, or all across southern Alberta and southwestern Saskatchewan, our snowfall was almost nil. The little snow moisture that resulted finally in the spring was completely lost by a month of not just warm but hot weather in April, with very strong, hot and dry winds.

Most of these drying winds, and I think this is unique and exceptional, came out of the east and southeast, a direction we usually associate with storms and moisture. It may or may not be significant, but this unusual wind and hot weather pattern did not change until Mount St. Helens blew its top and our traditional southwest Pacific winds returned, complete with the very depressing volcanic ash fallout.

The present drought situation to date has been much more serious than the one-year drought of 1977 because it is so much broader in its coverage. The final assessment of this drought year will have to wait until the key month of June is over when rain in generous amounts must come to prevent a disaster in our agricultural growth year in the west.

● (1210)

Yesterday this subject of drought was raised in our first meeting of the Standing Committee on Agriculture, and today in this opposition debate is the first time this subject has come before this Parliament. I say very bluntly now that this drought debate should have taken place at least a month ago. The persistent questions in this House and in the Senate and the number of motions under Standing Order 43 certainly confirm that statement.

I must say that I was very disappointed that my motion under Standing Order 26 for an emergency debate was denied about a week and a half ago.

I repeat that our motion today is very appropriate, and I want to read it for emphasis. It is short and to the point and is as follows:

> That this House deeply regrets the government's lack of response in the House of Commons to concern about the disastrous western agricultural drought and the related forest fire emergency, and calls on the government to abandon its secretive approach and consult with MPs of all parties in an open and forthright manner.

Surely this subject is much too important to be left to the traditional partisan, political type of debate. The subject is of widespread concern throughout western Canada, even after that good rain I said we have already received out there, and even in cities such as Calgary where the implications of a shortage of domestic water supplies are obvious. It is also a serious concern to our prairie governments, and because there has been no federal debate or action there is the perception—and I emphasize "perception"—in the west that this government and even this Minister of Agriculture (Mr. Whelan) do not care and do not know about the real drought situation in the west.

The subject of drought is at best distressing and unpleasant, but it should not be treated secretively, and especially we in Parliament should not be reluctant to talk about it. However, that situation does exist, mainly because politicians, of any stripe, cannot legislate or otherwise solve the climatic and geographic combinations which bring about droughts at irregular intervals. Suffice it to say that those of us from the short grass chinook country have learned how to pace ourselves or condition ourselves to live with a drought, and not to exist in spite of a drought, such as during those ten years in the 1930s and, more recently, the single drought years we had in 1961 and 1977.

I would say that it is almost a way of life. No one, however, can fully appreciate the true significance of a drought if he has not witnessed the tragedy of dust clouds hundreds of feet high rolling over the prairie like a black storm cloud—without moisture, of course—making it dark enough to require lights. That is a frightening experience. You cannot have a feel for drought if you have never witnessed, especially in the summer time, a large herd of cattle hungry because of no grass growth, or the spectacle of cattle becoming thirsty with no water immediately available. Hon. members should not hasten to tell me that these are management problems because these situations can develop, especially in the process of trailing large herds of cattle, even today. It is a frightening experience to see a herd of cattle on the trail suddenly and all at once stop walking and to see the cattle lift their heads into the wind when they can smell water upwind. It is almost an instant reaction. Have hon. members ever tried to smell water? Cattle can, but they cannot differentiate between fresh water and alkaline water, which is too concentrated to drink.

Western Canada has 45 million acres of grass suitable for grazing domestic livestock, and there are only 50,000 million acres of grass in that category in all of Canada. Our cattle industry and a relatively few sheep presently use nearly all of this grass. So drought has a special significance for our cattle, which harvest that grass year round. That is all they really do.

They harvest our native grass mainly on a year round basis, and very often it is very short grass. During the 1930s we learned the hard way that during a drought you cut your cattle numbers to fit your supplies of grass and hay. You try to retain a bare minimum breeding herd to produce calves the next year. In a nutshell that is our objective in a drought.

Today, due to the extreme shortage of grass and hay, it is not practical to move cattle to another source of grass or hay or to move hay any distance to cattle. That applies all over western Canada where the drought is so severe. The reason is that there are simply no available supplies of grass or hay in western Canada either to move or to move to. It may be very significant before this drought is over that the only area with a surplus of both hay and grass at this moment is in the province of Ontario.

Southern Alberta's 950,000 acres of intensive irrigation will produce two good cuttings of alfalfa this year. It is a major irrigated crop in our intensive irrigation, but that crop will be competed for mainly by the dairy industries of the four western provinces from British Columbia right through and into Manitoba. Presently the last of the 1979 alfalfa crop in the Brooks area, which is the heart of one of the irrigation districts, is selling at as high as $100 a ton in the stack before being trucked to places like Red Deer, Alberta, and that is an area in central Alberta which has seldom been short of hay. It is a very unique situation.

That is the drought picture today as straightforward by and factually as I can describe it. And, of course, I should remind the House that these are my personal remarks.

What can we do about it here in our Thirty-second federal Parliament? I want to address myself to that for the remainder of my remarks. I have some suggestions for serious consideration by all of us.

I said that in the thirties we had to reduce our cattle numbers to fit our grass and hay supplies. That, of course, was long before the days of income tax. Today that lesson of the thirties is still valid, but it is complicated by our tax laws. Forced sales of feeder cattle and even breeding herds, up to as—much as one-half of some of our cattle herds—creates an impossible income tax situation.

The obvious answer is to recognize the merits of what is known as the deferred income averaging trust account which would allow cattlemen to build up their own tax protected stabilization fund, but on a personal basis. The Department of Finance is familiar with this well thought out proposal because it refused to consider it in the 1977 drought, when it was put to the department in a very serious suggestion at that time. The deferral should last long enough for cattle producers to rebuild their numbers by natural increase which will follow the drought period, or to buy back in, when grass and hay conditions return. That, of course, could take several years.

Another suggestion already widely recommended is to require the Canadian Wheat Board to guarantee sufficient supplies of barley in the west, and especially in Alberta, to feed out the increased number of feeder yearlings now going into feedlots. These supplies must be assured now for use before the new crop is available. We should be aware that significantly increased numbers of drought cattle—and that includes some cow and calf pairs—have been coming to markets in the west over the last month.

We should consider the practical possibility of encouraging the earlier movement of feeder cattle to Ontario—that is, more so than the usual pattern—and even the possibility of a back haul of hay by both the railroads and by trucks. The cattle, of course, would remain in Ontario on grass as long as possible until the beginning of winter and then be moved into the Ontario feedlots to be finished out on corn and corn silage. Eventually they will go to the fat cattle market in Ontario, we hope at prices high enough to pay the $6 per hundredweight freight rate which it costs to move the cattle from the west to Ontario.

● (1220)

I suggest that surely here is a worthy possibility that will require financial assistance which should be forthcoming from two sources, not only from our federal government but from the railways in some form of special reduced rates, especially on the back haul with the hay, if that possibility should develop. I think it is a very practical suggestion. Years ago we used to have what the railways called a feeder rate for moving feeder cattle. That might be reinstated with some modification to help out in this situation.

Canada's beef cattle industry desperately needs some positive indication of confidence over the long-term. That has been apparent since we got into this market situation which we share with the hog industry across North America. What better way to do this than bring in our beef import or, if you like, meat import legislation now? It will get widespread support here in the House and, I am sure, from the total Canadian cattle industry.

I should now like to say something about PFRA, or the Prairie Farm Rehabilitation Administration. It is the agency created out of the tragedy and despair of the dirty thirties. Its new director, Dr. Harry Hill, has initiated the beginning of a drought contingency program quite recently. Only a few of us in the House are aware of it, but it is certainly not a security item! I say most sincerely now: let us give solid support to this approach. After all, PFRA developed the original guidelines for the original drought, at least in modern times, which was in about the mid-thirties. Is it not about time that PFRA was returned home to agriculture here in the federal government?

Some hon. Members: Hear, hear!

Mr. Hargrave: Finally, Mr. Speaker—and this is perhaps the most important point of all—I should like to make a suggestion which I will leave with you at this time, and that is that we should all become involved in a serious drought dialogue in a non-partisan manner. We do not expect any instant solutions—that would be naive and impossible. I say to the Minister of Agriculture, let him give us much more detail about the drought task force. Who are the members? What

are their names and responsibilities? Are there any here in Ottawa, or are they all in the west, or is it a mixture of both? Let us hear about it.

An hon. Member: The minister is not even here in the House.

Mr. Hargrave: In spite of the heaven sent rain this week in the west, there is no reason whatever why a drought of several year's duration, even ten years, cannot come again. That, perhaps, is the most serious thought I could leave with you. With all of our sophistication to date, whether in weather forecasting or in trying to modify the weather itself, there is no reason why there could not be another dirty thirties. Some of us on this side of the House have of necessity become unofficial experts on the subject of drought, whether we like it or not. I think it is about time that we had an opportunity to share it with all hon. members.

The Acting Speaker (Mr. Baker): Order, please. If no hon. member to my right seeks the eye of the Chair, I will look among the NDP next, with the reservation that an hon. member from the NDP would have 20 minutes to speak and when, on the next turn, a minister or an hon. member to my right seeks the floor, he will have 30 minutes. Thereafter each member will have 20 minutes.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to have the opportunity to speak on the topic chosen by our friends in the Conservative party. However, I am saddened that the drought situation in the west is such that the topic is considered urgent enough to be the subject of today's debate.

I was forcefully reminded of the seriousness of the situation in the west on the weekend when I heard the lowing of hungry cattle. It reminded me of the permanent drought area in the southern Sahara where I spent several years in the early 1970s as an educational adviser to the Kano state government in northern Nigeria. A million cattle starved in the drought conditions in the most appalling circumstances in a chronically food-short area. Hearing that sound again in my native Saskatchewan last weekend underlined how difficult the present circumstances are for livestock producers.

My colleague, the hon. member for Humboldt-Lake Centre (Mr. Althouse), who is our party's agriculture critic, is not here today because of the drought and the necessity for him to be on his farm to find accommodation for his cattle. As of yesterday when he was in contact with his office, only one tenth of one inch of rain had fallen in his area since last fall.

Although some of the areas in the west have had rain recently, there are large parts of Alberta, Manitoba and Saskatchewan that have had little or no rain. Each personal difficulty that a farmer is facing is multiplied thousands of times. We must as a country and a government be prepared to meet the challenges presented by this drought and the ones which will inevitably follow. To date we have had many words from the government opposite but precious little action.

Here is the situation regarding cattle and cattle feed, as I see it. Pasture land is critical at this time of year and it is critical throughout most of the west. There is little excess feed for movement among the regions of the west. Farmers are therefore making do with what they have for pasture and in some cases letting their cattle graze on seeded acreage that is not yet at a stage where plants will be damaged; still others let their cattle graze on hay land. The best these farmers can hope for is to keep their cattle going until the middle or the end of June. If there is rain by that time—and how many times did we hear the Minister of Agriculture (Mr. Whelan) in committee yesterday invoke the name of the Almighty in hoping for rain—some of the hay land may still produce one cut for feed next winter.

I say to the minister and hon. members opposite that the Almighty might not choose to bail us out this time. The minister might remember another phrase from another era when farmers were seeking action from reluctant governments. It was "raise less wheat and more hell". The minister can expect to hear more of that from this side of the House.

The drought crisis is taking place right now. Many farmers, particularly dairy farmers, are already having to feed cattle reserve stocks of feed. Herds are being trimmed right now. Producers will try to carry their core herds through until next fall, but not all will be able to manage on current stocks. Many herds were being cut in the past few months because of low prices and the projection of low prices into the future. Now, with more culling because of feed shortages, the cattle industry may nearly collapse. Can I ask the minister what will happen to the cattle industry now?

• (1230)

I cannot agree with the suggestion of the hon. member for Medicine Hat (Mr. Hargrave) that the sale of breeding stock should be accelerated by the government's giving an income averaging annuity to producers.

An hon. Member: No, he did not say that.

Mr. Hovdebo: Giving the farmer a tax dodge may help the big operator, but certainly it will not help the run-of-the-mill producers who are dependent on their breeding stocks continuing from year to year, and the consumer will also pay considerably for the same beef when the herds have been diminished.

Surely the answer is a national meat authority which the minister has been asked repeatedly to establish. I understand he will be asked again by the ministers of agriculture in Toronto. Although he is not here, I call upon him to give a commitment to supply management in cattle just as he has given to other agricultural crops and animals in the past. Orderly marketing can give the Almighty and the minister a good deal of assistance. We need every bit of it.

The situation could improve if we could be sure of producing a substantial grain crop. However, there has been considerable damage to grain because of low germination rates, field pests such as grasshoppers, and the effects of hot, drying winds on available moisture and the crops. The government must be

doing its forward planning with the probabilities in mind. First, there is not likely to be enough rain to rescue the present situation. Second, even if there is rain, hay and grain production will be minimal this year.

On this basis a drought contingency plan can be developed if the federal government would consider the matter seriously and put its money rather than its ministers' speeches and tours first. That has been this government's approach throughout the spring. It has been the political low road for various superannuated senators who have been playing at make-work projects such as Drought Inspector. It is a high paying make-work project. But let me illustrate how the travelling circus on the political low road is upsetting my constituents and many ex-Liberal voters in the west.

Many members are aware that the deputy ministers of agriculture from the four western provinces met with the federal government two weeks ago and agreed to share costs in a drought relief program on a 50-50 basis, or at least that is what the provincial governments thought. They are dealing with drought on a day to day basis, and that is what they thought they had agreed to. But this week and yesterday in agriculture committee hearings the minister repudiated any agreement. He said such an arrangement required Treasury Board and cabinet approval. He scolded Saskatchewan agriculture minister Gordon MacMurchy for having the gall to say that a substantial drought relief program costing $15 million to $20 million had not been cost-shared with the province.

Mr. Pepin: There is no contradiction there.

Mr. Hovdebo: No one is saying that the Saskatchewan program will solve the drought crisis, but it may help those who are only partially able to cope. It is a rational approach to a desperate problem, yet the minister would only pour cold water, if he could find any, on a substantial effort by a provincial government. Unfortunately for the government, this ploy was uncovered. A cabinet document has been leaked which revealed the cynicism of the approach the federal government has been taking.

An interesting slice of this document appeared in a Canadian Press story in the Montreal *Gazette* on Wednesday. It reads as follows:

> While it is recognized that because of the widespread nature of the drought and impact on the economy, responsive governmental programs will not have a large impact upon drought-related problems, it is of critical importance that the federal government be widely perceived as doing all it can to respond to the situation through as wide a range of action as possible.

The key word in that quotation obviously is "perceived"—"perceived as doing all it can". In a lifetime of watching cynical moves by the Liberal government, even my jaw dropped a little over that one. They seem to be saying, "Do not watch my actions, just look at the press releases" from the cabinet ministers on the low road. We have a saying in the west about people like this: "There is no business like no business".

Of course, the government thinks there will be a political payoff for its "as wide a range of action as possible". First there is the travelling circus of cabinet ministers. I understand that actually a drought agreement was signed with Manitoba today. On the weekend there may be more agreements to be signed in Victoria when the ministers of transport and the agriculture ministers get together.

I would simply like to say that there is a better way, a way that would not alienate the west and play into the hands of such evident opportunists as the Saskatchewan Unionist Party, a party led by a former Conservative leader who would like nothing better than to see the federal government play partisan politics with the drought. Surely no government in Washington would be so cynical as to say that the federal government must be widely perceived as doing all it can to respond to the situation.

On this side of the House we say, "Let us get on with the agreement Saskatchewan signed with the federal government in 1977". That agreement needs revising in view of changed conditions. In 1977 there was a shortage of surface water, but this year the water table has help up well. In 1977 movement of feed from farm to farm was a big component, but this year there is little excess feed to move. The federal government has been advised of these conditions for some time through its drought committee, yet as late as yesterday the minister of agriculture in Saskatchewan received a telex from the minister in Ottawa indicating that discussions have been tentative to date and that no commitments to drought relief have been made by cabinet. Who know what miracles tomorrow might bring?

The proposed agreement of two weeks ago does not have all the answers, and I must say that the hon. member for Medicine Hat pointed out other solutions in his speech today. But I think the draft agreement which may, after all, become a reality shortly, has some of the answers, and I would like to commend them.

First is the purchase of alfalfa pellets which were surplus to export commitments and the storing of them for resale as needed.

● (1240)

The second is back-hauling of hay on cattle liners from Ontario.

The third is assuring retention of enough barley stocks to meet regional needs—and I am repeating some of the suggestions made by the hon. member for Medicine Hat.

The fourth is a commitment of no further feed grain sales to export markets until the impact of the drought is known.

The fifth is halting the movement of non-Wheat Board grains for two weeks to allow for assessment of prarie stocks.

The sixth is return of pelletized screenings from Thunder Bay or Vancouver that are excess to export commitments.

The seventh is to use provincial and federal wildlife preserves for grazing where possible.

The eighth is to assist in the transportation of cattle to those areas or to other available pasture.

The ninth is the implementation of a fodder and feed grain listing service.

The tenth is assistance to farmers in developing wells.

The eleventh is assistance in respect of dug-out pumping where necessary; and lastly, the twelfth is assistance in the development of municipal wells.

The wording of this motion is very apt. We do regret the lack of action, just as we have sometimes regretted the lack of action by the Conservatives in proposing alternatives. The minister has admitted that his department has long been alerted to the problem, but there has been no action. There has also been an approach taken to the drought that has been secretive and clothed in cynicism. The government's hesitancy to commit itself either to the Saskatchewan program or to commit funds to implement it makes us a little suspicious that the reason the government is holding off is to make the meeting in Victoria this weekend a big media event. Such an approach is inexcusable and will make all of this government's stalling tactics suspect and opportunistic.

In closing, I would like to point out half a dozen main areas where the government could help farmers to survive this impending or partial disaster if we get as much rain as we have in the last few days.

Let us have some concern for action in respect of livestock right now. Let us have some concern for the livestock industry on a long-term basis, such as the suggestion regarding a national meat authority. Let us put into place a continuous plan which can be called upon on very short notice to keep the whole agricultural industry going in times of drought. Let us put in place a credit system which will allow farmers to survive in stressing times. Let us get all the feed grains back under the Canadian Wheat Board so we can be sure we have the kind of information and control of grain movement we need. Let us not appear to do something about the drought situation; let us do something about it. Let us do something as a Parliament and not as a party attempting to impress the west.

The bible story of the seven lean years is being repeated in southern Sahara regions. We pride ourselves on our planning and on our technology, but that may not be enough if the rains do not come. Let us approach this crisis as a nation should, and be prepared to do as a good government should.

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, I want to say first of all that I am speaking today in the absence of the Minister of Agriculture (Mr. Whelan) who, as this House knows, has to leave for Africa today, and in the absence also of his parliamentary secretary who is in Montreal to close off the Floralies.

I must tell the House how much I enjoyed the speeches of both speakers who preceded me. I thought both their interventions were in the spirit the Prime Minister (Mr. Trudeau) mentioned in his speech on the twelfth when, in full evidence of our very low numbers of MPs in the west, he said, talking to colleagues in the opposition:

> Like all of your colleagues in the House of Commons, you who represent the people of Saskatchewan, Alberta and British Columbia have a responsibility to represent your constituents to the nation. You also have an extra responsibility in the present circumstances to represent the nation to your constituents. It is a task no one else can fulfil. My government is prepared to co-operate fully in helping you to achieve this.

I might say that when I heard the hon. member for Medicine Hat (Mr. Hargrave) and the hon. member for Prince Albert (Mr. Hovdebo), I thought it was exactly in this context that they spoke. Indeed, I found that the description of the drought, this very serious matter that concerns all Canadians, given by the hon. member for Medicine Hat was one that was accurate; it was reasonable and it was sincere, and that from a man who has basically experienced droughts in the past and foresees the dangers that might face his people in Alberta, particularly the cattlemen, if this situation continues.

Some hon. Members: You should go out there.

Mr. Deniger: I would be more than willing to go and meet the people in that area so they can discuss that with me; but I know that no one could better represent those constituencies than those who have been elected.

When I heard the member for Prince Albert, I could not help but remember that I was in Prince Albert on several occasions, as he knows, and I know how very interested he is in the ambitions and the needs of his people there. When he said that there should be something done as a Parliament, he is entirely right.

Before answering the very positive recommendations that both he and the hon. member for Medicine Hat have suggested to this House, let me bring the members of this House and the people of Canada up to date on basically what the situation is in relation to the drought in Canada right now. There is no question about it, the drought in western Canada and in northwestern Ontario also is critical and requires immediate federal action. In that regard I completely associate myself with the remarks of both the hon. member for Prince Albert and the hon. member for Medicine Hat.

At this time the Department of Agriculture is preparing an immediate contingency paper. The task force is in action right now. Indeed, later on this afternoon the Minister of Transport (Mr. Pepin) will be speaking on this subject. At the noon break he is meeting with members of the Department of Agriculture in order that he can bring members up to date on the latest developments in this particular regard.

As the hon. member for Medicine Hat says, indeed, serious drought conditions exist on the prairies as well as in the United States and in northwestern Ontario. Pasture and hay crop conditions are poor. The supply of cattle feed for this summer is critical and of growing concern. Indeed, the few drops of rain in Alberta may have made it possible for some cattlemen to recover, but, indeed, the short grass situation is critical.

We do not know the consequences if the cattlemen were put in the situation where they had to dump all their beef on the

market with a subsequent drop in price and the difficulty they would face in restarting their herds. I assure this House that I will bring to the attention of the Minister of Finance the very serious and very adequate and fair tax proposals the hon. member for Medicine Hat has put forward today. As he knows, I also sit on the finance committee of the House and I intend to assist him and associate myself with his demands, because members of this House, even if they do not have a farm in their ridings, are aware of the concerns of the cattlemen of this country.

Water supplies in major streams, lakes and underground are deteriorating, but the information we have is that they are still expected to be adequate to meet requirements up until perhaps the end of the summer of 1980.

Again I agree with the hon. member for Prince Albert when he says that immediate action should be taken to assist in the drilling of wells, and to assist also in the drilling of municipal wells. Later on this afternoon one of our speakers will explain to the House and the people of Canada the very practical and concrete measures taken by the Department of Regional Economic Expansion to basically assist and put some sort of irrigation system in place in the west.

● (1250)

However, I understand sufficient soil moisture generally exists for the germination of crops. The situation, as I understand it, is more serious for the cattlemen because the grain farmer does at least have crop insurance and a stabilization scheme.

For this reason I should like to address my attention now to the situation of the cattlemen. Recently the cattlemen came before the finance committee and complained about clauses in the Bank Act which they felt were inadequate to meet their needs. Members opposite made serious representations on their behalf and I was there with several members from our side to support their plea.

Basically, the problem we face is the absence of rain, and all the programs we can develop on this side of the House with the assistance and positive co-operation of members opposite will not bring rain. So there are several propositions. The tax proposal will not solve the problem immediately though it will certainly alleviate the concerns of the farmer. Another possibility which was mentioned was the reduction of beef imports to give farmers an assurance that at least they would have a market in which to sell.

Another point which was raised by the hon. member for Prince Albert—I am not sure I agree with it—was that we should begin transporting hay from the east to the west. From the little knowledge I have, I believe the cost would be such as to be almost prohibitive. I will, maybe, ask the people in the departments of transport and agriculture to put together a package to find out basically whether the idea is feasible or not. When the hon. member talks about sufficient stocks of barley, I agree with him. There is no question we shall have sufficient stocks of barley because in the parts of Saskatchewan I know drought is something which could happen any year. Basically, the weather in southern Saskatchewan and in the area around Medicine Hat is dry.

I agree with the hon. member from Prince Albert: now is the time to do something. The hon. member put forward some 12 concrete proposals for immediate action and five long-term proposals. I was not able to make note of all of them but I certainly intend in the near future to have a conversation with him and to make sure that his representations are brought to the attention of the departments of agriculture and finance. I will make sure that this is done.

However, I was disappointed with the hon. member when he said that we on this side wanted to make political gains out of this situation. I would point out that there is not likely to be an election for four years and that there are no political gains for us to make in the short term. The hon. member should understand that we, especially those of us who have just been through a referendum, believe we are here to represent the whole country and we do not want to make short-term political gains. Absence of rain is something we can do nothing about.

The hon. member has put forward strong and concrete proposals. But to suggest we want to make a big show for June 3 and 4 in Victoria is completely wrong. That is unfair and I am disappointed with the hon. member for making that suggestion. I can only think that some member of his staff wrote it and that he accidentally read it to the House. As the hon. member knows very well, we have the situation out west at heart. I hope that this afternnon when the Minister of Transport meets with officials from the Department of Agriculture and others about what the Department of Regional Economic Expansion will be doing, we shall be able to provide more satisfactory answers.

I also want to talk to the hon. member about the suggestion that somehow the Department of Agriculture did not agree with, changed its mind, withdrew or deceived the government of Saskatchewan and its minister of agriculture by saying one day that there was a deal and on another day that there was not a deal. From what I understand, according to information provided to me by officials of the Department of Agriculture and as repeated in this House by the Minister of Agriculture, an agreement was being discussed at a meeting of deputy ministers but nothing formal was decided. We have not turned down Mr. MacMurchy's request at this time. All we have done basically is say this: "Mr. MacMurchy has talked to our deputy minister, Mr. Lussier, Mr. Lussier has talked to the Minister of Agriculture, who in turn brought the matter to the attention of the various ministers who are concerned and who will bring it to the attention of cabinet". This is very different from saying we have rejected the request.

In a situation like this there can be no politics. We are here as a nation. That is why, when the provinces get together and talk to our department, I would never accuse them of trying to make politics. Basically, everyone is concerned about this situation. Concrete proposals have been made and we will act on them in the belief that the plight of the western farmer is of interest to all the nation.

I intend to go out west several times next year and in the years to come to meet with more of the prairie farmers. I think a suggestion which could be acted upon quickly would be to have the members of the agriculture committee travel across Canada and listen to the representations of the kind which were made by the hon. member for Medicine Hat and by the hon. member for Prince Albert. They could talk to the farmers and to representatives of the Cattlemen's Association to make sure that the crisis situation which has arisen this year, a situation we experienced partially in 1977, in 1960-61 and for ten years in the thirties, will not continue. I cannot but believe that we on this side of the House, especially those who have just finished a very strong battle in Quebec, will be willing and understanding and ready to go to bat with our ministers and our officials who have the plight of the western farmers at heart. The hon. member may rest assured that this afternoon he will get precise and up-to-date information.

The hon. member mentioned an agreement made with the government of Manitoba. I am not aware of that agreement; maybe there is one. The Minister of Transport, at the meeting with officials, will have up-to-the-moment information.

The hon. member mentioned a big show in Victoria. Again, I am not aware of that. I am aware there is a meeting in Victoria but not a big show, a big political rally. That is not what it is about. What we intend to do is to take forceful action immediately. In 1977 we had a cabinet committee, an officials committee and a task force. This year that task force went into effect, met with the different farm organizations and met with the provincial organizations at the official level. It then made a report to the senior officials who then met with the deputy ministers. Now we are at the cabinet stage and with the help of the positive suggestions by the hon. members for Medicine Hat and Prince Albert we have the benefit of an even better and more complete file.

I am very pleased to have the occasion, in the absence of the Minister of Agriculture and his parliamentary secretary, as one, who represents a very rural riding in southern Montreal despite the fact that its name is Laprairie and that it does not have a single farm on it, to get up once again to talk about my concern for and my devotion to the cause of the prairie farmer.

The Acting Speaker (Mr. Blaker): The hon. member for Kindersley-Lloydminster.

Some hon. Members: One o'clock.

Mr. Bill McKnight (Kindersley-Lloydminster): May I call it one o'clock?

The Acting Speaker (Mr. Blaker): If the hon. member is agreeable to calling it one o'clock, I do now leave the chair until two o'clock this afternoon, when he will be recognized to take the floor.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, the hon. member for Kindersley-Lloydminster (Mr. McKnight) had the floor. I understand that the hon. member has offered or will offer to give way to the Minister of Transport. Perhaps he might like to advise the House of that, and the minister might like to advise the House of his decision.

Mr. McKnight: Mr. Speaker, in light of the emergency and the concern that we on this side have, I would like to give way with unanimous consent to the Minister of Tranport (Mr. Pepin) to make a statement, and rely on the good auspices of the Chair for the rest of the debate.

The Acting Speaker (Mr. Blaker): Is that acceptable to the Minister of Transport?

Mr. Pepin: Yes.

The Acting Speaker (Mr. Blaker): I want to draw to the attention of the House and of the Minister of Transport that Standing Order 58(13) makes it clear that the first member who speaks on a debatable motion in reply to the mover of the motion has a time limit of 30 minutes. My review of the Standing Order would indicate that the reply has been given. The minister would therefore be limited to 20 minutes. Regarding the fact that we now have two members from the same side of the House speaking one after the other, the Chair will have to try to sort that out in the next few minutes.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I thank the hon. member. I shall try to respect my 20-minute limit. I believe I can manage it. First of all, I should like to reiterate the excuses of the Minister of Agriculture (Mr. Whelan) who had to leave yesterday or this morning—I believe he left last night, in fact—to attend the World Food Conference in Tanzania, Africa. I know the minister would have liked to be in the House today.

Secondly, I want to say that the government is really grateful for the debate today and wishes to thank hon. members who are willing to take part in it. This debate obviously gives the opportunity of keeping the people of Canada informed about the present situation with regard to the drought in western Canada.

[*English*]

Mr. Speaker, the first part of my remarks which I obtained from the Department of Agriculture has to do with a description of the present weather situation in the west. Serious drought conditions continue, as we all know, to be experienced

across a large area of the prairie provinces and areas also in northwestern Ontario and the interior of British Columbia. The generally dry fall in 1979, below normal winter precipitation, and a hot, dry April and May have contributed to cause below normal moisture conditions. The moisture shortages range from critical to below normal.

The one bright spot in recent weeks, as the hon. member for Medicine Hat (Mr. Hargrave) underlined this morning, has been rain in southern and some parts of central Alberta, but a lack of moisture is causing great hardship on many other people elsewhere.

The worst forest fire conditions on record are being experienced in the northern areas of western Canada and northwestern Ontario. Substantial damage has already been done and, as we all know, many people have had to be taken by Armed Forces planes and personnel from their homes as fires threaten. I am glad to be able to tell hon. members that many of these residents of our northern areas now have returned to their homes. Cooler, damp weather has helped put out some of the fires and reduced the fire hazard. But it is recognized that the over-all dry conditions across the prairies continue and are threatening to have a serious effect on agricultural production.

● (1410)

I share the concern of some hon. members that the cereal crop in western Canada is in jeopardy because of low moisture reserves in the soil and in some areas a total lack of rainfall. I am told that it is still not too late for the wheat crop to recover and to provide its usual bounty. Timely rains could indeed turn the situation around for grain producers. But there is no question that if the present weather conditions prevail for very much longer, there will be an increasing number of short and long-term problems developing. In a nutshell, the situation is serious but not yet critical. We all pray and hope that it will not become critical.

Livestock producers have been the first to be affected. Increasing demands placed on already short feed supplies and local water supplies are causing great concern. Livestock and feed, when available, must be transported long distances. There is also a concern that some cattlemen may have to sell off their herds if feed becomes scarce.

There is no question that the drought situation is more serious in some respects than the dry conditions of 1977. It is far more widespread, covering a very large area of western Canada.

What, then, is being done? First, the government has been continuing to monitor the situation most carefully. Cabinet members have met their provincial counterparts, and senior officials within various government departments have consulted with provincial officials.

In 1977, the last year drought conditions existed on the prairies, cabinet approved the formation of a federal task force on drought. The task force was charged with the responsibility of assembling information, recommending government action and co-ordinating programs aimed at alleviating the situation for western farmers.

I would like to make it clear to my hon. friends that the task force was not simply a one-shot affair. It has continued in existence in Regina since 1977 and has been meeting regularly. In fact, it has regularly reported moisture conditions to the Minister of Agriculture (Mr. Whelan) and to the Minister of Regional Economic Expansion (Mr. De Bané), and these reports have been made public.

This morning, the hon. member for Medicine Hat suggested that the names of the members of the task force be made public. If I am permitted, Mr. Speaker, I will do so now. The chairman is Mr. V. O. Coffey from Agriculture Canada; the secretary is Mr. D. James, a representative of DREE in Saskatchewan. The members are as follows: Mr. J. C. Lowe, representing Agriculture Canada; Mr. J. R. Lane, DREE, Saskatchewan; Mr. G. S. Brown, PFRA—as hon. members know, that is part of DREE; Mr. D. A. Davis, Environment, Regina; Mr. W. H. Willis, EPC, Winnipeg; and Mr. W. L. Tucker, Department of Indian Affairs and Northern Development, Winnipeg.

There is an interdepartmental steering committee working from Ottawa which is chaired by Mr. Mike Heeney of Agriculture Canada. I would like to thank these people for their participation in this task force.

As I was saying, the task force is a permanent institution now and it met last in Regina on May 16 with senior officials from the provincial governments of Alberta, Saskatchewan and Manitoba. It was agreed at this meeting that a drought of major proportions was developing, and that joint federal-provincial action was urgently needed. Action plans were presented as soon as possible to the respective governments of task force members for consideration and implementation.

As a result of this meeting, all hon. members would have received last week a memorandum of information from the Minister of Agriculture providing the most up-to-date information possible on the drought situation. Similar information has been made available regularly to western farmers and to the members of Parliament through media releases from Agriculture Canada.

Today marks the reinstatement of a weekly drought report first initiated in 1977 during dry conditions. The report which hon. members will receive on Monday morning not only provides current information on weather conditions, but also provides some predictions as to what these conditions mean to prairie farmers. That report is widely available in both print form and by radio across the prairies.

At lunch time I managed to get an advance copy of the report. If members want to know what the situation is in their particular region—it is divided into geographical areas—if they would get in touch with me, I will let them see it.

Just last weekend the Minister of Agriculture, the Minister of Employment and Immigration (Mr. Axworthy), the Minister of State for Economic Development and Minister of State for the Canadian Wheat Board toured the most seriously

affected areas of the prairies to gain first hand information on the situation. They met in Regina with task force officials. A draft paper recommending certain federal action to alleviate hardships caused by the dry weather was also studied by ministers at that time.

Task force officials worked out details this week. Just three days ago a meeting of senior federal officials was held in Ottawa to review these details and to make specific recommendations. These recommendations for action will be placed before cabinet for decision next week, Mr. Speaker, and I can assure hon. members that the matter will receive the highest priority. Detailed federal plans aimed at assisting producers on the prairie provinces will be announced as soon as possible after cabinet has made its decision.

The Minister of Agriculture was sort of chastised this morning for saying that he could not act as rapidly as others thought he should. I thought he stood on very good ground. The proper way of doing these things is for the minister—or any one of them—to go to cabinet first to get authorization for whatever he wants to do before proceeding with an announcement. I thought some of my friends were unfair to the very friendly and able Minister of Agriculture. So I stand up today to support him.

This document, the one I referred to as coming before cabinet next week, will address the most urgent part of this situation, that is, pasture and feed for cattle. It will cover possible moves on the feasibility of transportation of cattle feed and transportation of cattle to pasture. It will make decisions about that. It will also address the possibility of accelerating programs for the provision of water facilities, not that these programs are entirely new—we all know that they exist—but there is a possibility they could be accelerated. This is the sort of thing the document will be about and it is on what the cabinet will base its decision. Therefore, my hon. friends will have their curiosity satisfied by this announcement next week.

In the meantime, the task force members and senior federal officials are considering further government action should the drought continue. The drought situation can change very rapidly, we know that, but the government will be in a position to react to a worsening situation very rapidly if it becomes necessary.

The hon. member for Prince Albert (Mr. Hovdebo) seemed to make a great to do about a meeting to be held on June 3 in Victoria. I think he was implying that this was another one of those Liberal conspiracies to get maximum press coverage. I just want to tell him that I will be at that meeting. The meeting was called to discuss grain transportation. A minister from one of the provinces informed the chairman of that group that he would like to discuss drought conditions should they not improve in the meantime. It was by provincial action that the subject of drought was brought up as a possibility for discussion at the meeting in Victoria. My friend might want to apologize or blush for having imputed motives that were not there certainly in the first place.

• (1420)

So that there is no confusion as to the action the government already has taken to handle the drought situation on a continuing basis, I would like rapidly to review some of its programs and other activities. While the emergency measures to be considered by cabinet will be geared to answer specific needs for this year, there exist other measures that have been in place, in some cases for decades. I will mention just three.

First, ever since the dust bowl days of the 1930s, Agriculture Canada's research stations in the western provinces have laboured to provide farmers with new tools, management techniques and different crop varieties to combat the odds of farming in what is naturally a dry land area. This has been met with great success and international acclaim.

The second measure I want to mention is crop insurance programs, half the premiums for which are paid by the federal government. This is another way in which prairie farmers can protect their investment in the land. About 80,000 western grain farmers have purchased $1.5 billion worth of crop insurance protection for this year. The federal government will contribute about $73 million to premiums in the western provinces. The government also assists provinces through reinsurance programs when indemnities greatly exceed reserves. This is another measure that exists, and I am sure hon. members are aware of it and others. I just mention them as a record of the system that has been built throughout the years to anticipate situations like the one now confronting us.

Third, the Western Grain Stabilization Act provides income protection should poor crop yields result in poor market returns and reduced net cash flows. Some 74 per cent of all rain producers on the prairies are part of this program.

As I have said, our immediate concern is for the livestock producers who are suffering the most from soil moisture conditions at the present time. I can assure hon. members that government emergency action will recognize that fact. The selling off of cattle and subsequent reduction in western breeding herds must be prevented, as was stated by some members this morning.

To sum up, the government stands ready to institute whatever action is needed to help producers as well as residents of western Canada should the drought conditions continue much longer. I repeat that the situation is a very serious one, but it has not reached critical proportions. Hopefully it will not. However, to react to the present serious situation, the government will make announcements next week.

Mr. Cousineau: Mr. Speaker, I rise on a point of order. I thank the hon. member for Kindersley-Lloydminster (Mr. McKnight) for having given the Minister of Transport (Mr. Pepin) the opportunity to speak before him. We on this side have no objection to Your Honour now recognizing two Conservatives to speak on this motion.

The Acting Speaker (Mr. Blaker): The Chair wants to express its thanks to the hon. member for indicating that we might balance out debate in that fashion. Unless there are any

objections, that is the manner in which we will proceed. There will be two Conservative speakers. I will then go to my right again. I then have in mind a further member from the NDP. Is that agreed?

Some hon. Members: Agreed.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I thank the hon. member for Gatineau (Mr. Cousineau) for assisting in this debate. I was pleased with the remarks of the Minister of Transport (Mr. Pepin) in that we have finally had a statement in the House from the government on a very serious problem that faces the three prairie provinces, part of British Columbia and part of Ontario.

If I am critical of the Liberal government, it is because of the lenght of time it has taken them to realize the problems that drought is causing individuals. It may not be of a huge proportion in some minds, but this drought, this disaster, this quirk of Mother Nature, is of huge proportions in their personal lives.

I would like to try and express this in a way a friend of mine from southern Saskatchewan does. When we are talking about drought, some people say drought, some people say "drouth". I don't care what you say, it's damned dry in Saskatchewan right now. We, and I am talking about men, governments and human resources, all believe that rain will come and that the "Man upstairs" looks after us; but we cannot wait for help because we need to have help now.

I would like to draw attention to some of the problems that we have, some of which were mentioned earlier by the hon. member for Medicine Hat (Mr. Hargrave) and the hon. member for Prince Albert (Mr. Hovdebo). The task force that was organized in 1977 and which is still in existence is made up of those mentioned by the minister, very capable and responsible members of our bureaucracy. I have a great deal of empathy for those members. They come up with programs that are of great assistance. The only problem with the programs is that they cost money. These hard working civil servants go out and try to provide the answers. When they come back and ask for money to carry out the programs that will assist those suffering from this drought, they find that this is where the problem lies. It is not a problem of finding the answers. We have very capable people who have provided the answers. The problem lies with whether this government is committed, believes and is concerned that it will find the money or the resources to give the assistance that is needed in western Canada, not tomorrow and not next week but now.

The Minister of Transport took exception to one of the previous speakers' comment that things should be done quickly and should be done now. However, I would draw his attention to some of the things the present Minister of Agriculture (Mr. Whelan) said when we were in government and he in opposition. He said it was a shame that agriculture was not represented properly in the Clark cabinet, that the then minister of agriculture was not a member of the inner cabinet. What he forgot to recognize as important is that that minister was a member of Treasury Board. When you are a member of Treasury Board, you have ample opportunity to get fast decisions on problems concerning agriculture. The present Minister of Agriculture is not a member of Treasury Board. That is why we have to wait so long before competent and precise help is given to those in western Canada.

I wish to bring to the attention of the House the supplies that we have in western Canada to give us assistance with this problem. It has been mentioned that screenings should be used to supplement feed. There are people in my constituency who have turned cattle out on to grass. When they did that, they also had to feed them. They have to grind, chop and supply feed in addition to grass for the cattle. The reason for that is that they were breeding stock.

I would like to correct an impression that may have been left by the hon. member for Prince Albert about a statement made by the hon. member for Medicine Hat, who has long been recognized in the cattle industry and other industries in Canada as a very knowledgeable person. He did not say that we should sell off half of our breeding stock. What the hon. member for Medicine Hat said was that in some instances farmers and ranchers are selling up to half their breeding stock. Selling half their breeding stock is giving away their ability to earn a living. It takes away the ability of families, ranchers and farmers to earn a living. They can no longer earn a living unless they have their breeding stock. The only cash they get comes when calves are dropped, grassed and then fed. When you give away or are forced to sell part of your ability to earn a living, it is not a small matter; it is critical, and it is critical right now.

• (1430)

We have very small supplies of screenings in western Canada. As a matter of fact, my information is that at the most we have available now only 450 tonnes of screenings, which would not make a significant difference, considering the numbers of cattle which will have to be fed. A problem arises because of a formula called the corn competitive formula which says that barley sold within Canada should be based on the price, the energy efficiency and the price of equal efficiency of corn which comes in from the United States.

What it is doing now is that the cattlemen who are in need of feed are buying barley from the Canadian Wheat Board stocks because they can buy it cheaper from the Canadian Wheat Board stocks under the corn competitive formula than they can buy it non-board, from elevator companies or from their neighbours, their farmer and rancher friends.

The other thing that is going to develop is a shortage of barley for both areas. There are approximately 200,000 tonnes of barley on-farm in western Canada, and it will not be sold to the Canadian Wheat Board. It will not be sold on quota until the price comes up 40 cents or 50 cents or until a quota opens up which will allow it to be sold. These are some of the problems.

Long before my time the PFRA served the people of western Canada well. It has the interest of the people of western Canada at heart at all times, but right now on PFRA pastures

there are aproximately 190,000 head of cattle. Officials of that agency say that the optimum expectation is that grass and water—one or the other and in some cases both—will dry up by the end of June. These cattle are going to have to be taken out of the pastures and put on feed in feedlots on farms. This is an additional burden, but farmers and ranchers will do this to save their breeding stock.

I am aware of the deep program of the PFRA, but I would like to draw the attention of the House and the minister to the fact that in this year of drought there have only been 251 deep wells drilled in western Canada as of May 28. This compares with the year 1977—and I realize we are only at the end of May—when there were 4,059 deep wells dug by the PFRA or with the assistance of the PFRA. I commend this program of the PFRA, but I also ask that the government provide the monetary means—the dollars—so that this agency can function.

There are some other things I would like to mention, but one thing I want particularly to bring to the attention of the House is the suggestion the hon. member for Medicine Hat made regarding an annual income averaging program for cattlemen and farmers who are forced, through no fault of their own but because of the quirk of Mother Nature, to sell their stock. The hon. member for Prince Albert said that this would not help the small operator, but I think it should be drawn to his attention that a small operator with 30 or 40 head of breeding stock has a total investment of anywhere from $35,000 to $45,000.

If he is forced to sell half of that, he will pay anywhere from 30 per cent to 40 per cent of the proceeds in income tax. Five-year averaging does not help. I do not know how the hon. member for Prince Albert would feel were he a farmer or had he experience on the farm, but I would not want to have to sell my cows. I would not want to have to give away 40 per cent even on 20 head of cattle. Larger operators whose cattle are on short grass have no back-up. They rely on grass to produce the calves they sell for income. The smaller farmer is usually a mixed farmer. He has access to straw, feed grains and cereal grains, so that he can get through. It will cost him more, but he will get through. I would like to draw that to the attention of the House.

Mention has been made of programs which are available to producers in western Canada when it comes to crop insurance. The minister stated that there are about 80,000 farmers involved in the crop insurance program. We recognize that that program is funded partially by the federal government and by the provincial governments, but I must add that the people who buy it, the producers, also fund it. There are 80,000 farmers involved in this program, but there are 150,000 permit book holders in western Canada. That means that just s little over half of the farmers are protected under the crop insurance program.

Western grain stabilization was mentioned. This is a program which is of assistance, but again only 70 per cent of the producers participate in that program.

One problem in the cattle industry which is critical now is that if it does not rain within the next ten days, there will be a problem with cereal grain production. For the information of the minister, we are about a month ahead in our growing season in western Canada now compared with the average year. Ordinarily if there has been no rain by the first of June we do not panic, but crops have been in the ground for 30 days or 40 days. The germination is not so good. It really is not great. Gophers have to pack a lunch to travel across 100 acres. There is nothing to eat. We must have some feeling of concern for the grain producer right now. I agree that the situation is not as critical as it is for the cattleman because the cattleman is selling off his ability to earn an income.

Considering the expressions of good faith and good will by the government toward people in western Canada and all parts of Canada who are having a problem, I hope that it will again take a very strong look at income averaging in order to protect people who, again through no fault of their own, have been forced to sell parts of their cattle herds.

I hope the Canadian Wheat Board will be instructed to guarantee a supply of feed grain on the prairies, but again let us keep in mind that the mandate of the Canadian Wheat Board is to export grain out of Canada. I know this is a problem, but I think there must be some way of getting around it.

We certainly hope there will be federal assistance given to the movement of cattle from western Canada to Ontario and Quebec. We had the assurance from our confreres in the Standing Committee on Agriculture yesterday that there is more than enough forage in Ontario and Quebec to assist in a small way in saving our breeding stock. We would like to see if a back haul could be originated to haul grain and hay back.

We hope that the government will look at a meat import law. That would not help in the drought, but it would help cattlemen and farmers have some faith in the industry of raising beef. Unless they have faith, and unless they know they are going to get a fair return for their sweat, they will sell their breeding herds and it is not just the cattlemen and the farmers who will suffer; every consumer in Canada will feel the effect within the next 18 to 24 months. We hope the government will take a strong look at placing the Prairie Farm Rehabilitation Administration, or the act, under the jurisdiction of the Minister of Agriculture.

• (1440)

Mr. Pepin: Why not Transport?

Mr. McKnight: The minister suggests Transport. I will pass over that. The Minister of Transport is a busy man and I do not think he really needs anything else to keep him occupied.

The hon. member for Laprairie (Mr. Deniger) said he had a feeling for western Canada and understands some of the problems there even if he does not have a farm. I recognize that, and there are other members on his side who have a similar approach. If the government is willing to take the steps which are needed along the lines of suggestions which have

been put forward, it will renew faith in western Canada that the federal government does care about the region. But if steps are not taken, and taken soon, this belief will be very hard to maintain in western Canada. In contradiction to the view held by some people, I should like to say that the situation is critical now. It is critical for individuals and it is critical for the industry—for the farmers, the cattle business and everyone in Canada. So I hope the government will take a look at these problems.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome this opportunity to take part in the debate although I regret the situation we are discussing is not a healthy one in terms of the western economy or the Canadian economy as a whole. It is very unpredictable. Today we might be talking about a very serious drought; tomorrow the rains may come and continue to fall and then, all of a sudden, the situation is fine and dandy.

This does not excuse the government from taking action. After all, the government has a responsibility here, as it indicated in the Speech from the Throne. Along with many other western members, I read that speech and heard it from the mouth of none other than the Governor General, and the Prime Minister (Mr. Trudeau) recited to us in western Canada that we had a responsibility to indicate to the people in western Canada what the government was doing. I ask you, Mr. Speaker, how can we tell the people of western Canada what the government is doing if the government does not tell us what it intends to do?

If anyone doubts the seriousness of the drought, one has only to look back at past history. I can remember what happened in 1961. Not too many people have experienced drought conditions but I suppose that in my lifetime I experienced it also in the thirties as a boy. I did not understand the seriousness of it in those days. I was just a young shaver at the time and it really did not make much difference to me. One could have a lot of fun, even in the depression. You did not need much money to get by. You ate what was available, you did what everybody else did and you did not ask questions.

That was in the days when you did not require capital. Those were the days when you could feed a horse, turn it out to pasture for a couple of hours in the afternoon in the heat of the sun, and about four or five o'clock hook him up, drag him back out to the field and work again until late at night. But you cannot do that any more. So in terms of today's economy there is no comparison with the thirties, and I think we may as well forget about trying to make one because any time reference is made to the thirties it is such a foreign thing for everybody to understand. It is something for the CBC to recall whenever they want to drag out something about the prairies and western Canada.

Western Canada is not the prairies any more. Western Canada is far more than vast prairie dust bowls and so on. It is true there is the possibility of dust bowls and grave economic consequences. But the dust bowls are gone forever in terms of our agricultural approach and our ability to cope with them. Our ability to cope demands several factors. One of those is the ability to raise capital, and ability to raise capital depends very much on the ability of the government to understand the consequences of what is happening today.

We have a far more serious problem than relates to only one province. Manitoba, Saskatchewan, Alberta, British Columbia and parts of Ontario are affected by drought. When I say parts of Ontario are affected, I am talking about the forest fire situation as it affects the northern area. If anybody doubts the consequences of forest fires in the northern parts of our country he has only to look at the value of the tourist dollar that produces an income to Canada. If ever Canada needed income from foreign capital, it needs it today. And if ever a government needed a jolt to make it understand the consequences of the folly of the financial policy it is pursuing it needs it now. It is oblivious to the fact that it is heading totally in the wrong direction in terms of deficits. The time to budget for deficits is when we have the one we are facing today, to pull us out of an economic recession.

Just look at what is reported in today's *The Globe and Mail.* If people in eastern Canada are not aware of the consequences of what is happening in western Canada, let them look at the Massey-Ferguson lay-offs which will reach 6,850. Do I need to say more? Who is it, Mr. Speaker, who buys the tractors? Who buys the combines? It is the people who have been complaining to their representatives in the House of Commons, and they are asking this government to outline a plan for coping with the situation.

The government announced they had a plan. They told us they had some sort of a task force. Where was it? Hidden in a cupboard? What was it doing? Studying itself—studying its navel, I guess. I do not know what it was doing. But the point is this: they did not indicate to the people most affected what they intended to do in the event of a serious situation developing. And it was developing very rapidly. Imagine the situation which existed when we started out this spring. Interest rates stood at 18 per cent. What were the producers to do? Were they to look up into the sky, say it was too dry, that interest was at 18 per cent and that the government didn't care? Were they to fold up?

They asked themselves these questions and said: "We don't care about the government, we don't care about the interest rates and we don't care about the weather. We are going to take our chances despite everything that everybody does to us because that is the nature of the farmer". But does that mean we have to say to them: "Yes, your're tough, but you withstood it before"?

You know, Mr. Speaker, there are such things as bankruptcies. We see the evidence of that. Once in a while the CBC comes out with a spectacular case. But we do not have to look at the spectacular cases. Businesses go under and nobody even notices them. All of a sudden a family farmer pulls out of a suitable home and goes into the city and becomes a statistic. We look down at the records later on and see that another farm has closed down.

• (1450)

What is important is not to come up with some grandiose scheme later on, but to deal with the situation right away. It is important to give them an indication of where you are going. They also have to make plans, whether or not the government knows it. Everybody in business who is affected by the income of the producers, whether they be cattle producers or other agricultural producers, has to make plans. You cannot imagine what it is like when you see grass which in the middle of June would normally be two feet high now only six inches high and very scarce. You can walk through it, you can see through it, you can see a blade of grass ten feet away. That is the kind of situation that you run into.

These people are not stupid, they know that they cannot carry their cattle through the winter, they know they have to unload them, and they know that every buyer in this country knows their situation. They know that the sooner they unload their cattle the better, because if they wait the situation will become worse. The government waits and waits, thinking that perhaps something will happen and it will not have to come through with anything.

With regard to the drought, the situation is not yet critical in my area. We hope that with some rainfall, perhaps even a bountiful crop might be produced. But let me tell the minister who sits over there who, although he is not responsible for the Canadian Wheat Board, is pinch-hitting for the Minister of Agriculture (Mr. Whelan) at this time, that he had better take the message back that whatever kind of plan this task force may have for the cattle industry and for the grain industry, it had better be announced very quickly. Even an interim program is better than nothing.

Now let me go on to speak about the other industry affected, and that is the tourist industry. Here I do not fault the federal government, and in fact I do not think it was through any action on the part of the federal government that the tourist industry has suffered. I want to give full marks to the Department of Regional Economic Expansion in so far as Saskatchewan is concerned, despite the credit which the province might want to take for itself, because people within the department foresaw the need for water bombers for Saskatchewan, and through DREE funding—perhaps the minister does not even know about this; in fact, I am sure he does not and I would like to fill him in on this—

Mr. Pepin: Flattery got you where you are.

Mr. Korchinski: I want to give the department full marks because with the funds out of the northlands agreement, 60 per cent of the cost of the $1,500,000 program was provided to buy three water bombers for northern Saskatchewan. And what did the province of Saskatchewan do? They were not ready for the forest fires. They had a few tracker bombers which were on wheels but they could not scoop up the water as a water bomber can. The water bombers that were provided were equipped to cope with the situation. But they took their time, and of course the forest fires do not take time—whenever they come, they come.

I want to give DREE full marks because they knew what the consequences would be to the tourist industry. The tourist industry depends a great deal upon Americans coming to northern Saskatchewan to fish. Tourist facilities in that area have had to be shut down, but the federal government had nothing to say to those people who heard nothing other than a bald announcement which came from the province of Saskatchewan. The province reversed a few statements here and there and implied that it was all to their credit, which is a lot of baloney, if I can use that term.

Mr. Baker (Nepean-Carleton): It is parliamentary.

Mr. Korchinski: The province was trying to take the credit for everything that was being done. I want to give the federal government credit in that regard, because at least the officials of DREE were aware of the need for water bombers. I do not know whether those three water bombers were sufficient for the amount of work that was being done.

Now I want to go back to the throne speech where the following statement was made:

> It has been said in recent weeks that the three westernmost provinces have no elected voice in the governing of this country. That is not true. Parliament is the supreme law making assembly of Canada, and every Canadian is represented in the House of Commons by his or her duly elected member.
>
> Like all of our colleagues in the House of Commons, you who represent the people of Saskatchewan, Alberta and British Columbia have a responsibility to represent your constituents to the nation.

That is fair enough. In other words, the government is admonishing us, western representatives, that we have a job to do to inform the people. And yet when an industrial park was being opened up at La Ronge, what did the minister and his department do? It did not matter that I as the elected representative for 22 years—was not invited on the occasion, but they even denied me the opportunity to tell the people about what the federal government was going to do.

Some hon. Members: Shame.

Mr. Korchinski: They denied me that opportunity, but they invited everyone else. They admonish me, they lecture me, and they tell me what my role as an MP is, and then when the opportunity arises they deny me the chance to play that role. It does not really matter because they have done that to me before and yet I am here. I would have told them the same thing I am telling them now. I give them credit where credit is due, if there is any credit due, but at the same time they deny me the opportunity to make information available to the people. That is what the resolution is all about, and that is what we are asking for. We ask for information about what the government is doing about the drought as it applies to dairy producers, beef producers, grain producers and the tourist industry.

Mr. Speaker, I do not think I need to say much more, but let me tell you that in my area, in Cumberland House, there are marshes—it is marshland area—and despite the droughts in western Canada we can grow great amounts of feed in that area. In 1961 when everywhere else there was no feed, we in

Cumberland House grew it and made it available. We had a trucking program to bring the feed to the southern parts of the country. Now it will be available there because the marshlands still exist. The land is flooded and grass will grow there. There are many other areas in the province that have similar programs in existence where feed will be available. They can be co-ordinated to benefit the beef industry so that cattle do not have to be slaughtered and producers will not have to make sacrifices at this time. It is an industry which is badly needed at this time.

I should like to say one other thing with regard to the effects of the forest fires in the province of Saskatchewan. The forest products industry in the province is about to abandon some of its operations. The fires have ravaged many parts of the province through the Hudson Bay area and around La Ronge in the north, a prime producing area where no less than three plants, to say the least, will be closing their operation. They will be using the excuse that it was high interest rates and everything else, but in reality the reason for their closure will be partly because they were not ready to cope with the forest fire situation.

● (1500)

The federal government has now reached a point where it requires $14 billion for its deficit position. That is an increase from the $11.5 billion which we projected. The federal government will never be in a position to help western Canada at this particular time, or maybe another area at another time, because of the monetary policies it is pursuing.

The other day I suggested that the Bank of Canada should take into account the drought in western Canada and its effect upon the economy. I was swept aside by the Minister of Finance (Mr. MacEachen), but a few days later I saw a headline in *The Globe and Mail* which indicated that Ontario is affected. I am not a strange soothsayer. I do not have any way of knowing or predicting that certain things will happen, but I know if things are happening in one place that it will affect another place. All it takes is a little common sense on the part of the government. I ask the government to give us as much information as possible. The grain producers, the cattle producers, the tourist industry and the lumber industry in western Canada are capable of coping with difficult situations. They are intelligent people, but they must be given information so that they will know what the government is prepared to do and how far the government is prepared to go, and they will carry the rest.

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I would like to join my colleagues in this House to talk about the drought conditions in western Canada. Serious drought conditions affect a large part of the prairie provinces, certain areas of northern Ontario and British Columbia. A generally dry fall, below normal winter precipitation and a very hot and dry April and May have contributed to the present situation. Moisture conditions range from low to average and the situation is critical.

The one bright spot in recent weeks has been rain in southern and some parts of central Alberta but a lack of moisture is also causing great hardship elsewhere. The northern prairies and northwestern Ontario are now having the worst forest fires ever recorded. Substantial damage has already been done and, as hon. members undoubtedly know, many people have been evacuated by the armed forces because of the threat those fires represent. Fortunately, most of these residents now have returned home. Cooler damp weather temperatures has helped put out some of the fires that were raging and reduced the fire hazard. However, the over-all dry conditions across the prairies continue and seriously threaten agricultural production.

I share the concern of my colleagues representing certain western areas that the cereal crop is in jeopardy because of low moisture reserves in the soil and a total lack of rainfall. But I am told it is still not too late for the wheat crop and yields could still be excellent if it rains and continues to rain as it has been doing in certain areas recently. But there is no question that if present weather conditions prevail we will face short and long-term problems. Livestock producers were the first to be affected. Because of increasing demands we can expect cattle feed shortages. In certain regions, the drop in water supplies also poses serious problems. Livestock and feed, when available, have to be transported over long distances. Also, cattlemen may have to sell off their herds if feed becomes scarce.

There is no question that the present situation is more serious in some aspects than the problems which existed in 1977. The problem has much greater proportions than three years ago. The government is monitoring the situation most carefully. In 1977, cabinet approved the formation of a special task force on drought whose mandate was to assemble information and make recommendations to government, besides co-ordinating various programs to alleviate the situation out west. The task force is still active and continues to meet. They met recently in Regina, on May 16 to be precise, with Alberta, Saskatchewan and Manitoba senior government officials. According to the task force, we are facing a serious drought and the federal and provincial governments must be prepared to take immediate action.

During the last weekend the Minister of Agriculture (Mr. Whelan), the Minister of Employment and Immigration (Mr. Axworthy), and also both ministers of state responsible for economic development and for the Canadian Wheat Board visited the most affected areas to see for themselves the extent of the problem. At the same time, they considered a working paper proposing that some measures be adopted by the federal government. A special committee has prepared the particulars of those proposals only three days ago. Those recommendations will be submitted to cabinet which should make a deci-

sion soon. In the meantime, the task force and the senior officials will continue to co-ordinate the goverment's action if the drought were to continue. The situation could improve quickly, but the government must be prepared to act as quickly as possible if things were to get worse. Not only have action plans been provided but I am convinced as all members in this House that the government will act in time and effectively to give assistance to western farmers.

It is important that decisions taken in those circumstances be the best possible. I believe that negative criticism would be contrary to the best interests of farmers and consumers alike. However, Mr. Speaker, we should refrain from dramatizing so as to avoid useless panic. Rain has fallen in some areas and yesterday we were informed that in some specific areas, four inches of rain had fallen, three inches in others and one inch elsewhere. Let us hope that the rain will greatly improve the grazing areas so that cattle may feed properly. Let us hope that this will continue and let us search for practical short, medium and long-term solutions because this drought could seriously impair western Canada's economy.

● (1510)

[*English*]

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise today realizing that in my area we did get the first rains this year over the weekend, much needed rains, because, as the hon. member for Kindersley-Lloydminster (Mr. McKnight), said, much of the crop had been in the ground for 30 to 40 days and had been germinating sporadically. In the lower areas germination was taking place, and in the higher areas of fields there was no germination. This would have resulted in a very uneven crop and grain of very poor quality this fall. However, we did get the rain and I now am pleased to say that most of my farmers are saying germination is taking place across all of the fields.

This does not alleviate the problem regarding pasture lands in the west part of the ridings of Wetaskiwin, Red Deer and, I suspect, Vegreville, Bow River and Crowfoot. The pasture lands and hay lands are not growing. The only plants growing are the deep rooted alfalfa plants, which are already coming into bloom and should be cut one month before we generally go out and make the first cut of that hay for the year. This is disturbing.

I am also concerned that many of the ranchers and farmers in the area raising cattle, because the pastures grass did not grow this spring, were forced to turn their cattle out on their hay fields to keep them going long enough until the pasture lands could get a bit of a foothold so that the pasture lands could hold the cattle through the fall when maybe some grain lands and straw would become available.

The very serious problem of drought has really affected most seriously now, and will continue to do so, feed for the cattle on the prairies, and that is something we have to turn our attention to as a Parliament.

As I looked at the act which was brought forward by the government in 1935 to deal with drought I found that it had remained in its same form since that time. It has never been amended. Obviously it was well thought out by those who brought it forward at that time. We have found that because of that it has served as well since 1935 when first brought forward in this House. I refer to the Prairie Farm Rehabilitation Act.

I looked back at the debates of that time as I felt people then had just been through a most serious drought and surely we might be able to learn a lot from history. We may find ourselves in a recurring situation. Many of the things we should have been doing through the years were brought up at that time in 1935, and they have not changed.

I noted that the then minister in 1935, Mr. Weir, when bringing forward the act stated a number of policies that DREE should consider. One of those policies was to set up small areas, sort of experimental plots. He considered they should be a township in size and there should be three in Saskatchewan, one in Alberta, and one in Manitoba. The purpose was to develop grasses and grains that were hardy in drought conditions. There was also to be a tree-planting program to help farmers in the conservation of water. These were practical educational plots for farmers suggested by the scientists of that time who were capable of producing drought resistant plants, shelter belts, and the types of farming necessary in drought conditions.

I do not know what has happened to that program. I do not believe these experimental township plots are now in existence. Perhaps there is no need for them to exist, but surely with our modern techniques we must still learn the proper methods of farming when water is in short supply. If we look back to those records we might find that some of those techniques can still be applied today. Some of those crops could still be planted today in our pasture lands. We should bring these methods forward and make them available to farmers who may now have to experience similar weather conditions.

Many members of Parliament who spoke at that time talked about less water available than they had known in previous experience. As I look at my farm which has experienced the drought I can see the very same thing happening there today that happened to my ancestors back in the 1930s. Sloughs, as we call them, which contain water—we lament them because we have to go around them with our large equipment—have dried up. Usually they hold water which infiltrates the land around the slough and supplies water through capillary action to plants. As I have said, they are now dry. My brother seeded right through them this spring. I do not have a chance to work the farm any more since I am a member of Parliament, but I do keep watching on weekends to see what is happening. There is no water in them any more, largely as a result of very little snow this winter and no rain for 50 days this spring. The one and a half inches of rain we received are going to assist, but surely will be of no lasting value unless we get more.

Members back at that time talked about the very same thing. In fact one of the opposition members stated:

The present situation presents an opportunity of guarding against a recurrence of these conditions. When times were good people would not bother with rehabilitation, and that is why at the present time it creates a special opportunity with regard to the projects which we are now going forward.

They were talking then about preparing themselves for a situation that could come forward again in the future.

Another matter they talked about, which is essential, was the planting of shelter belts. When our forefathers came to this area they wanted to farm and they cut the trees. The rains came and they did not worry until the thirties when the rains did not come. The hon. member for Medicine Hat (Mr. Hargrave) said he was able to remember, and I am not, about the dust clouds and the drifting of the soil. Shelter belts can gather the snow in the winter as the winds drift it across the prairies, preserving that moisture in the areas where it is needed. In this way the snow does not drift onto the highways and into the towns where it is not needed. The shelter belts are absolutely essential. They also prevent the winds from gaining velocity and the soil does not drift as rapidly as it would otherwise.

Many members at that time spoke about the planting of trees. They suggested two things, shelter belts and plots. The advice accepted was in respect of shelter belts. I must commend the PFRA administration for what it has done since that time. I phoned the tree planting nursery at Indian Head, Saskatchewan. It was set up to do exactly this. I looked at some of the statistics and I was astonished. From 1935 to 1978 they have spent $11 million. In 1978 the nursery shipped its 400 millionth tree to prairie farmers in that region. In fact in 1977 when we experienced a bit of a drought, similar but not as severe as the one we are now experiencing, the demand for trees was greater than they could meet. They increased their yearly supply from six million in 1976 to 6.96 million in 1977, and they still had orders they were unable to fill. If there is anything we can learn from this it is that perhaps they need a larger grant so they can plant more trees to meet the demand.

As I looked at the records it seemed that each year, and I have the figures for 1974 to the present, their budget has been increasing, from $800,000 in 1974 to $1.2 million in 1977-78, which means that they are meeting as closely as possible the demands for this absolutely essential service to western farmers.

Another suggestion the hon. members spoke about at that time was in respect of measures for improving soil erosion controls, the provision of water storage, irrigation, and the better utilization of soil resources. They spoke about the withdrawal of submarginal lands from intensive farming to go over to pasture.

● (1520)

I have some interest in renewable energy and it seems to me that the poplar tree that our scientists have developed, and which grows so rapidly, will be a valuable contribution. I know it is a relatively new tree, and some education would be required for farmers to learn the value of it over the traditional crops of alfalfa and other forage. It may sound odd to those of us who have farmed for years that we should switch submarginal lands from growing alfalfa to growing poplar trees. The tree grows so rapidly that, within two years, the farmer can take off 12 or 14 tons of matter for feed. He would not get close to that production with alfalfa. It grows very well on rocky, submarginal land, and it does not have to be harvested in dry weather. It has many advantages. Because it is deep rooted I suspect it would also be an advantage in a drought year such as this one. It is something on which agrologists might work with our farmers for submarginal lands in order that we can prepare ourselves for times like these.

We hope drought will not come very often, but when we go through a period of light rainfall we should utilize the technologies that are being developed which are essential to our agricultural industry. These trees can be developed to produce the energy required for that agriculture, because the product of the tree can be distilled into ethanol and methane gas. Those are two very welcome uses.

We welcome the way the Prairie Farm Rehabilitation Act has served us over the last 35 or 50 years. It set up some excellent programs from which we can still learn and which we should constantly study. It would have been useful in 1977, also this spring, and who knows when in the future? It set up four programs. One was for land use service to rehabilitate lands which were submarginal. The primary activities of the program were to be operational and administrative for a community pasture program. The second was a water development service. The hon. member for Kindersley-Lloydminster told us about the deep well drilling service which is very essential to the dry land ranching area of the prairies. In times of drought it means they can bring water up to fill their dug-outs.

I was out in western Canada last Friday, Mr. Speaker, and spoke to the minister of agriculture for Alberta. I asked him about the drought conditions there. He was very concerned and listed a number of programs that he was ready to put in place for the farmers of Alberta. One that he had already put to work was the filling of dug-outs. As there was no run-off from winter snows, the dug-outs were empty and there was nothing for the cattle to drink. Water had to be trucked in. If more deep water wells were drilled on the ranches under this program, I am sure it would cost less than it does to hire the trucks to haul water to fill the dug-outs. This is a very important program under the PFRA that should be going forward.

Another program for the distribution of seedlings and trees is operating very well. There is an irrigation demonstration facility at Outlook, Saskatchewan. The minister of agriculture in Alberta told me that irrigation is the solution, as the waters from the mountains flow, even under drought conditions.

The Alberta Heritage Trust Fund is often criticized but it is a pool of money that could be used for these programs, and $8.25 million has been set aside this year for irrigation headworks improvements, and $31.26 million for the expansion of the irrigation district. That is very welcome not only to the farmers of Alberta but to the farmers of western Canada

because alfalfa production in those irrigation lands can be used for alfalfa pellets and hay.

We are concerned about the province of Saskatchewan. The Diefenbaker Dam which was established for water resource management and hydroelectric development has run dry in the east ditch, and the Saskatchewan government has not brought forward plans for irrigation. That ditch should have been filled and put into use four or five years ago in order that the conditions we face today could be met. It is very important that more irrigation be planned for western Canada.

The third part of the PFRA program was to investigate plans, designs, and to be responsible for construction and maintenance of various works pertaining to water development, irrigation, and community infrastructure programs. This is more of a long-term planning procedure.

The last part of the PFRA program concerned administration, to provide for the internal management and programs related services for PFRA.

I think we can learn a lot from history, Mr. Speaker. That is where we find the best examples that members of Parliament and people in the committee of an earlier time felt had to be worked out. They have provided the exampies for us. Surely we should continue with that excellent program, fostered by modren technology where possible. We could use some of the other scientific inventions such as plant breeding tools for such things as more drought resistant crops and poplar trees.

In summation, Mr. Speaker, I should like to quote from a statement by the director of PFRA, Mr. Hill, contained in the 1977 annual report, as follows:

PFRA was uniquely able to render immediate aid to drought-threatened areas and was successful in administering relief programs in co-operation with provincial governments and other federal agencies. Valuable information obtained during the course of these activities led to the conclusion that the consequences of severe drought, which have occurred at random throughout the region, are not understood in terms of our present-day society, with its increasing water consumption and diversifying economic base.

The director tells us in this annual report that modern society has forgotten what it was like to live through seven, eight or nine years without rain and without snow in winter. We have now developed a society capable of wasting water day after day. Many of our farmers have not listened to their forefathers and are not using the techniques necessary for them to exist under dry land conditions. The government should take a lesson from what the director stated in this annual report given just after 1977 when there were sporadic drought conditions on the prairies.

I should like to turn now to a private member's motion which I introduced regarding the income averaging trust account. This is most important to the ranchers of my region and I am sure to ranchers of other regions which are similar. Sometimes they are compelled to sell their livestock because they cannot feed them. They then have money and no use for it, but find that one-quarter or one-third of it has to be paid in income tax—with which we all agree, of course. Surely we could bring forward a program to assist farmers at such times. In my motion which I put forward in February, 1979, I set out eight ways of doing that. The ideas are there. I would recommend that the Minister of Finance (Mr. MacEachen) and the Minister of Transport (Mr. Pepin) look at these ideas. They are not just mine; most of them come from Peat Marwick Mitchell & Co. in a study prepared for the Department of Agriculture. These ideas could be used to set up a program and there would be no difficulty getting it past this side of the House, Mr. Speaker. I think it is essential that farmers be allowed this tool.

Some hon. Members: Hear, hear!

• (1530)

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I rise this afternoon to speak on the motion before the House.

That this House deeply regrets the government lack of response in this House of Commons to concern about the disastrous western agricultural drought and also the related forest fire emergency, and calls on the government to abandon its secretive approach and consult with members of Parliament of all parties in an open and in a forthright manner.

The farmers of the three prairie provinces are presently facing a very serious situation with possible consequences which could create economic havoc on a scale that has not been witnessed since the dust bowl days of 1930. While the majority of citizens in some of these provinces may be basking in the unseasonably hot weather, the farmer certainly is not. The livelihood of a number of producers is threatened, as well as the various businesses that service and process the farmers' goods.

A few areas in my own riding of Dauphin, such as Dauphin and McCreary, have received some rain within this last week, but other areas such as Roblin and Swan River are in desperate need of precipitation. In fact the majority of the provinces 30,000 farmers are worried that the drought may ruin their 1980 crops. There is widespread fear that the rye crop is already lost, for example. The Winkler weekly report states "—that emerged crop is turning yellow and may need to be reseeded". Certainly the situation is desperate in many places in the west.

We welcome, with appreciation, the department's reactivation of the 1977 drought task force. However, much more needs to be done. It is true, as has been mentioned, that there are certain programs in place that might be able to reduce the impact of whatever kind of weather conditions we have in the west, such as the crop insurance which covers some loss of crops. Also there is some protection under the Western Grain Stabilization Act. However, we would urge that the government act quickly in signing agreements, especially with the affected prairie provinces supporting drought assistance programs. We are reminded that Saskatchewan has submitted at least a ten point proposal for a drought assistance program which would be cost-shared between the province and the federal government. We would want action taken on programs like that, and similarly that action would be taken for Manitoba and other areas.

I want to draw attention to what I consider to be six areas needing examination. There are six objectives that we should have when we look at the drought and related forest fire situation on the prairie provinces.

The first area that I wish to address is the area of feed and water supply assistance. One of our major objectives must be that we maintain the livestock herds in the west. There have been reports of some increase in the slaughtering of animals, and we would not want the slaughtering to affect the foundation herds. We must make sure, therefore, that we have a secure supply of feed even if it means that the feed must be brought from Ontario, or whether such things as feed pellets must be brought in from Thunder Bay. The foundation cow herds, the breeding stock, must be maintained, otherwise shortages of beef will occur along with a major disruption in the livestock industry in the future. Likewise, dairy herds must be protected.

To achieve this objective and to make sure that there is maintenance of livestock herds, we must take a look to see if there are some Crown lands available for emergency hay and pasture use. We would suggest also that perhaps there is some land which is under the auspices, at this stage, of the Wildlife Association of Canada, which should be examined. We should also make sure that there is an adequate feed supply for livestock in the area.

Similarly, when we take a look at some of the needs that we have in the west, I think we would want to see that the western livestock producer is treated in much the same way as the eastern livestock producer. In the east there is a domestic feed grain policy that guarantees supply to meet domestic needs. We would also want to ensure that something like that is true for the west. There should be a halt to export sales commitments of feed grains until we can be positive that there are adequate stocks on hand for the needs in the areas that might be affected by the drought.

There should be some direction given to the grain transportation authority to halt the allocation of cars to the movement of non-board feed grains from the prairies so that the needs of the drought-stricken areas might be met.

Perhaps there could also be a return of certain pelletized screenings from Thunder Bay or Vancouver that are in excess to our export commitments to make sure that the farmers in the west are able to supply their cattle with the necessary feed.

In connection with reaching the objective of maintaining our livestock herds, the other area I wanted to talk about is that of the provision of water. True, there is some assistance through the PFRA programs that already exist, but we may need to look at the need for irrigation of hay crop areas where there is such a feasibility, and also perhaps to take a good look at grants that might be available to farmers to assist them in developing water supplies that would be necessary to reach the objective that I have stated.

The second area I wanted to look at, in addition to the feed and water assistance areas that I have mentioned, is the whole area of transportation and storage assistance. There should be some sort of policy there to make sure that, where necessary, the assistance is provided for the transportation of hay or feed grains to the required areas. In addition, through the hauling of feed there might be a necessity for moving cattle to alternative accommodation, moving cattle to pastures. Likewise, there is a major need for assistance for the farmers so they can be sure their cattle are provided for.

In the area of storage, the hon. member for Humboldt Lake Centre (Mr. Althouse), in his letter to the minister, mentioned that pending the outcome of the crop the federal government should implement a program for storing feed grains and forage in the prairie region in order to reduce the sell off of basic livestock herds. This is certainly critical to make sure that we are able to maintain the livestock herds in the west and to ensure that feedstocks will be available in the coming fall and winter. We want to make sure we protect our feed supplies now so that enough grain will be available to carry us through the upcoming winter.

The third area that we ought to look at with respect to the drought situation in the west is the necessity to alleviate the many problems that are faced by farmers. Basically I am looking at two areas when I look at the financial difficulties with which farmers are faced in the west. First is the area of income, and then comes the area of credit.

On the income side of the problem, we would want to see an initial price for wheat being kept at $4.25. The initial price as proposed for the wheat board grains for the 1980-81 crop year should be increased to the current level rather than dropped to $3.75. We want to make sure that we would discourage any selling off of grain before the end of July when this grain could more properly be held for feed and also for seed.

The federal government should also ensure that there is a final payment which is equal to the pre-embargo levels. Also, in the ara of stabilizing income we have always urged the implementation of national marketing systems for beef and hogs and for an expanded role for the Canadian Wheat Board. It is essential for the federal government to implement a stabilization plan for farm commodities which would reflect the net farm costs, because this whole area of income is definitely one of the problems and financial difficulties that farmers are facing in the west.

● (1540)

I also said that there is the whole area of credit, or the necessity for additional money. Many producers went into this drought faced with a heavy short-term debt load. There was a reduction in their cash flow. A potential crop failure could force many of them into bankruptcy. For this reason, the suggestions on extending credit amounts and guaranteeing the interest rates at minimal levels are a very necessary and integral rates at minimal levels are a very necessary and integal part of any program of drought relief. The federal government should set up some sort of emergency fund, perhaps through the Farm Credit Corporation, to allow for the transfer of short-term operating credit to longer-term loans at guaranteed low interest rates so that the necessary interim

financing could be there for those farmers who require it until the drought it over.

In this whole area of credit or money problems, there is also a need for individual moratoriums of farm debts. This likewise should be looked into by the Farm Credit Corporation. I am speaking on a moratorium on interest under such circumstances as might be requested by the federal government.

Another aspect that is of concern to us in the Dauphin constituency is that in the long run farmers do not start losing their land due to the non-payment of property taxes. There might be some need for assistance in this area as well when we look at the financial difficulties that would be facing the farmers.

Another area we want to look at, in addition to the third area of the money problems that I mentioned that farmers are faced with and that must be addressed in any sort of drought relief program, is the matter of providing information to farmers. Whatever types of programs are announced next week, we want to make sure that the farmers are aware of the programs, what exists, and what would be required for them. There definitely has to be some sort of co-ordination of information regarding the supplies and pastures that might be available for farmers experiencing feed shortages as drought conditions continue in the area. There needs to be some sort of monitoring of feed supplies and shortages, and certainly some sort of co-ordination with regard to the Prairie Farm Rehabilitation Administration and other feed and pasture supplies.

There would be a need for information packages being provided to the farmers so that they would understand the types of programs that are available. For example, the Saskatchewan government has suggested that there is an immediate need for implementation of a fodder and feed grain listing service whereby farmers would be asked to list seed oats so that any available supplies may be used for seeding in June or July to provide green feed. This type of information service would be essential for any sort of successful program to cope with the very serious drought conditions that exist in the west.

I wish to spend a minute on the fire situation. In my constituency of Dauphin we have been living either in or adjacent to the fire problems on several fronts. On the northern side we have the Porcupine Mountains which have been affected by fire. This created a lot of fear among many of the residents there simply because in some cases they were forced to anticipate evacuation. Fortunately places like National Mills did not have to evacuate, but the situation indicated there was certainly a lack of response, especially in terms of the federal government.

When we think of the situation at Riding Mountain and Porcupine Mountain and the fire hazards created there, there was certainly no initiative on the part of the federal government to ensure that the required facilities and necessary arrangements were in place to deal with these fires, especially considering that there were American firefighting authorities who had been prepared to co-operate in battling and suppressing forest fires in areas such as Manitoba. The problem that these fires created underlines the need for acting more efficiently, and ensuring that in situations like this there is more of an input from members of Parliament who represent the area.

This leads me to the sixth point I want to mention dealing with any kind of drought program to be brought forward. This is the whole matter of consultation with members of Parliament. The government stated that it was prepared to work with members of Parliament. I have not had any contacts by the government with regard to the problems that might be faced in this whole drought and forest fire situation.

An indication of the lack of being able to deal with this problem is indicated in the announcement made this morning in Winnipeg with regard to the drought situation. This morning the Minister of Employment and Immigration (Mr. Axworthy), the Minister of Regional Economic Expansion (Mr. De Bané), and the Manitoba government signed an agreement. However, when you look at the impact this will have on the drought situation, there is only one sentence which suggests that some of the agreements as the apply to DREE might be implemented to deal with the drought situation. The whole problem of the drought appears to be merely an afterthought, as indicated by the type of agreement signed this morning.

Considering the pledge of the Prime Minister (Mr. Trudeau) to work with the members of Parliament in the area, and considering the fact the government does not have representation in the west, I urge the government to ensure that there is a greater degree of consultation with members of Parliament so that, when faced with problems such as the drought situation and related forest fires, we can act expediently, effectively, and in such a way that will indicate to the people of the area that we are interested in their concerns and are prepared to deal with the problems they face.

I welcome the opportunity this afternoon to express on behalf of my constituents our concern for the entire drought problem. I trust that the six points I mentioned in terms of implementing any programs relating to the drought will be taken into consideration so that we can be assured we will not face the prospects faced in years long gone by, but rather that the problems will be dealt with effectively.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): Mr. Speaker, I rise to speak in this debate as a farmer. Although I am from a different area of Canada than those which are so badly affected by this drought, I wish to place on record my concern for the people of western Canada, those in northern Ontario and other areas of the north where forest fires are a factor at the present time. In particular, my concern is for the cattlemen in the drylands and ranch areas of western Canada. I understand their problems because I, too, keep a herd of cattle. I am well aware of the reproductive cycle in the beef industry, from the time a heifer calf is born until that calf reaches maturity, conceives, and produces an offspring that grows to market weight. We are speaking here of a time frame of approximately three and a half years. I am well aware of what will happen if our beef herds are depleted, and the ensuing hardships that will be

placed not only on our ranchers but on our economy in general. It is imperative that we keep our herd intact, and we must work for that protection in every manner possible.

I am concerned to about the grain farmers who face hardships, and those farmers in eastern Quebec and the Atlantic provinces who may not have adequate supplies of feed grains next winter and, therefore, may have to cut back their livestock and poultry operations.

● (1550)

I well remember the drought of the early thirties that did extend into parts of Ontario and, more recently, the one in 1977 which existed to a lesser degree, particularly in the United States, in the State of Michigan which is not far from my riding, where a disaster did take place in terms of drought conditions at that time. I believe the type of help available today in Canada in situations like this is far superior to anything they have in the nation to the south of us.

I indicated in committee yesterday that with respect to the area in which my family farm lies, in Lambton-Middlesex, we are in a narrow belt of land which does not receive the rainfall other farmers get just a few miles away. By a quirk of nature the storms and the rains seem to follow the Great Lakes. We happen to be in that area.

I phoned home today at lunch time. We finished planting our soya beans today. We have an excellent stand of corn and prospects to date are excellent. But conditions can change very, very rapidly. The weather patterns in our area appear to follow the lakes as I said, and the fact that we have to rely on moisture for our crops to sustain continued growth in our grain, our corn, soya beans and pastures, means we need to have some form of a contingency reserve of forage on hand. We always do this, but when we are planting our crops, too, we try to preserve the moisture in the subsoil reserve in the event that the normal rain does not materialize. Mr. Speaker, we fully realize the serious situation existing, particularly in B.C., Alberta, Manitoba, Saskatchewan and northern Ontario.

We look back in history. Drought is not new. There is a book, of course, which tells us of the wise ruler centuries ago who set aside grain reserves against a seven-year drought. But here in modern society perhaps it is time that we, too, examined the possibility of establishing food reserves of non-perishable products. We seem to have forgotten that history is a good teacher.

I fully agree with the hon. members from Medicine Hat and Prince Albert, who spoke first in this debate, that the situation is critical. The next few weeks will be indicative of the type of help needed. In all fairness, Mr. Speaker, these conditions did not just arrive over night. We all here should have recognized that the lack of snowfall last winter—much below normal—would result in dry land conditions to a greater degree than is normal. Perhaps we waited too long in the expectation of Mother Nature sending us the moisture required for bountiful crops, and it is obvious that in this regard we are all perhaps somewhat guilty. But as farmers, we are all optimists. We have to be, or we would not be involved in our sector of the economy. Yet, as optimists, we have to think back, too, to where it is written some place:

He who watches the clouds neither reaps nor sows

We have to be optimists. When we are engaged in that part of the economy, which is the greatest profession on earth, I trust that we can keep in mind the human suffering involved, the needs which must be met, and move in that direction to deal with the situations of distress as they develop, as the weather patterns unfold. At the present time the livestock industry is in distress and this alone is of real importance and of concern to all of us in Canada, regardless of whether we live in the east or the west. I agree that we must work together with all Canadians in an attempt to resolve these problems, and may I suggest the necessity of examining the feasibility of using some of our existing legislation to ensure that alfafa cubes and pellets are kept here in Canada. The legislation I refer to is the Export and Import Permits Act which was originally intended to be used in times of emergency.

We should make every effort to see that essential grains and screenings are kept in close proximity to the stricken areas, and that all forms of usable roughage feed be kept in western Canada. I fully realize that moving roughage from Ontario to the west is cost-prohibitive, but in emergency situations such as we face at the present time we must consider all possibilities. Every year there are countless numbers of trucks and cattle cars bringing cattle from western ranches to Ontario feed lots—we bring them in by the thousands—and I would like to ask the Minister of Transport (Mr. Pepin): do these trucks and rail cars go empty one way, or do they have a back haul? If there is no back haul, would it be possible to move some roughage on these empty units going west?

I know that every year there are thousands of tons of clover and corn stover ploughed under, put back into the soil of Ontario farmers. There are thousands of tons of corn stover; in my area many farmers winter their cattle on corn stover alone, with no other additives than the protein additives and other nutrients. Could we examine this possibility rather than face the depletion of a vast portion of our national beef herd if conditions don't improve? I fully realize that at first glance, moving roughage seems quite illogical, but we must not leave any stone unturned in our effort to give help to our fellow Canadians.

To turn to another area, could we not examine the availability of irrigation equipment? Could such equipment not be sent out to those areas of western Canada where specialized crops are grown and where water is available? I fully realize that this is no help to the ranch areas or the grain-growing areas, but I refer to those areas where they grow vegetables and other specialized crops.

I remember that several years ago the farmers of western Canada were unable to harvest their grain crops due to wet weather. But during the late autumn the grain combines were able to go on the fields and a large number of grain dryers were sent out to help dry the grain so that it could be stored safely and used as food and as livestock feed. Again I want to assure my western colleagues that we are willing to assist the

western farmers in this time of need. We sometimes feel quite helpless in situations such as this when, through no fault of the farmers or the governments at all levels, a national disaster occurs such as a drought, or maybe a flood, or an earthquake, or hurricane, to name but a few. We should remember that a drought situation is one which does not normally result in the loss of human life in North America, and for this we can be thankful. But we must realize the economic loss, the hardship and human suffering which will result from this natural disaster.

I have family relations across western Canada. Many of them are farmers and I well remember when I was young, before I went to school, going to Sunday school, and even though we ourselves were in a depression, bales of clothing were collected and Christmas presents were sent to help those in need. Again, I remember the disastrous drought which occurred here in the Ottawa Valley less than ten years ago. The governments helped those farmers through their times of need, and when I came into the airport here this morning I could not but help notice the contrast between the lush green valley here around the capital city and the parched fields I saw last week around Winnipeg. Certainly, as a farmer and as a member of this House, I am concerned and willing to help. I believe there have been several worthy suggestions made in the debate today. The statement by the Minister of Transport, the announcement of the task force, the discussion indicated for next week, have convinced me that the situation is being monitored closely—perhaps even more closely than some of us realize.

I indicated earlier that farmers the world over are always optimists. Perhaps no other segment of society has to deal more closely with the elements. We hope and trust this spirit continues and that other segments of our society and all levels of government will work together to provide the assistance for Canadians so seriously affected by this quirk of Mother Nature's.

In conclusion, Mr. Speaker, food is the first essential of human life. The magnitude of the problems can affect each and every Canadian if these conditions continue. I urge the co-operation of all parties and the ministers involved in working toward the successful implementation of the programs outlined by the government today in the interests of all Canadians.

• (1600)

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, first let me state my appreciation to the ten hon. members opposite who have waited so patiently and cut short their weekends so that they might sit under the influence of my spellbinding oratory.

I am pleased to have an opportunity to bring a somewhat different perspective to the matter of water supply in western Canada. I was pleased to hear the Minister of Transport (Mr. Pepin) make reference to crop insurance and, inasmuch as we have somme officials of the Department of Agriculture in our midst, I would like to note that I am a great advocate of the crop insurance program. It has been of tremendous value to Canadian farmers coast to coast. I know it inside and out. I was employed by the B.C. ministry of agriculture in the crop insurance branch for more than ten years prior to coming to play this role. I do not know of another country in the world which has a better program. Few, if any, can match its effectiness. Certainly the insurance program offered south of the border cannot compare. Crop insurance effectively minimizes the effect of partial losses which farmers suffer from causes beyond their control, mainly weather-produced losses such as the drought circumstance which we are discussing today.

However, crop insurance does not always capably cope with those disastrous situations in which total crop losses are experienced, and this is particularly true of the tree fruit industry where expenses continue whether crops materialize or are lost. We must be prepared to strengthen the ability of that worthy program to protect against those most damaging losses which are presently in some circumstances subject to unsatisfactory limitations.

Not only do we have a water drought in the west; we also have a Liberal drought, and we have a Liberal government policy drought which ignores important economic and social factors of western aspirations.

Mr. Chénier: Get serious.

Mr. King: I will, my dear.

Some hon. Members: Oh, oh!

Mr. King: Incredibly, we have a Liberal government and ministers who bleatingly imply that they do not even know their ministerial responsibilities. This strikes absolutely no western confidence in this government's ability to speak for Canada, let alone western Canadians. Under these circumstances, as a western member I say that there can be little hope of constructive talks on whatever subject is envisaged by this government. I am insulted, constituents are insulted, and western Canadians are insulted.

I would like to quote from the Saint John *Telegraph Journal* of May 15, 1980.

An hon. Member: Saint John?

Mr. King: Saint John, right. "Nothing too good for one region; nothing bad enough for the other. Hate for one. Love for the other. The basic Liberal strategy—win Ontario, Quebec could safely be taken for granted, and forget the rest".

To assume this same strategy in pre-constitutional meeting posturing is cynical politics indeed and a cynical approach. The Saint John *Telegraph-Journal* goes on to say that through the national treasury, the dominating politicians of central Canada, with grants, subsidies, handouts, and everything but honest and fair treatment, have encouraged the development of a "psychology of dependency". This concentration of power—

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I simply want to point out to the hon. member who is speaking now that he is quoting a very poor authority when he quotes the *Telegraph-Journal* of Saint John. It is the largest daily paper in New Brunswick. It and all four other daily papers in New Brunswick are owned by the same outfit, and they have not deemed Ottawa important enough to send a reporter to Parliament Hill, so they do not know what they are talking about.

Some hon. Members: Hear, hear!

Mr. King: That was a valuable interjection.

Again, Mr. Speaker, this approach to the real problems of this potentially great country is attempting to hide the real drought of constructive policy of this administration. This is not the way to win the west. It is not the way to attack the problem which is under discussion today.

The drought situation now being experienced in the three prairie provinces and throughout northern Ontario has been well depicted through media attention and in this House by hon. members whose constituents are in the centre of that impending disastrous situation. It is not my intention to add further elaboration to that circumstance, particularly inasmuch as my closest proximity to the area most affected has been at 37,000 feet.

I do, however, have more than a passing concern for those farmers and citizens of the provinces affected. I too have a background in agriculture.

Mr. Pepin: It doesn't show.

Mr. King: I have an emotional as well as a practical attachment to the land. I was raised on a fruit farm.

Mr. Chénier: Is that why you called me "my dear"?

Mr. King: If I was not here as a member of Parliament, I would be in Kaleden working my orchard. Although I lived then, as I do now, in the Okanagan, I remember all too well the great drought years of the 1930s. I recall the influx of prairie folk into B.C. seeking relief from the drought, the dust, and the unemployment-induced poverty. Many of my neighbours, friends and in-laws came to the Okanagan under those circumstances. What is it that encouraged the exodus westward? What is it that brought the influx into the Okanagan? Certainly those caught up in the prairie drought, the tumbling tumbleweeds and the moving landscape, did not come to the Okanagan seeking refreshing rains. The Okanagan, in reality, has desert characteristics. There is less than ten inches of average precipitation annually.

Mr. Chénier: It has some effect on you.

Mr. King: I thank my friend. Agriculture is possible in the southern interior of B.C. only because the pioneers of that area—my father included—saw the possibilities and took the opportunities presented to them. As a result, the first efforts of these pioneer developers were to produce facilities such as dams, weirs and diversions to store and to husband that most precious commodity on which our civilization hangs. Thus we find originally a system of earth dams with distribution of water by open ditches, completed at minimal cost with human and horse powered effort, often on a volunteer basis—the human part, I mean. Effective in their day, these simple works have been gradually superseded by increasingly more complex and constly systems adapting to the technology which became available, as science and ingenuity brought us advantage and efficiencies in construction and equipment.

In my remarks to the House on May 16 respecting the farm improvement loans bill I made mention of some of the government initiatives which have been of particular value to agriculture in British Columbia. One of those initiatives which has transformed the face of the southern interior of B.C. has been the joint federal-provincial program commonly called ARDA. Without the assistance available from the ARDA program, my own community of Kaleden would be totally different both in appearance and in optimistic outlook, and so too would most of the southern interior of B.C. I well recall days in my youth when water was in short summer supply because of limited winter snowpack in the surrounding hills which provided a too short period of runoff. I recollect water rationing measures which affected fruit production and farmers' incomes from the orchards of that area. So I speak on this subject with considerable empathy with those agriculturists now suffering in the drought areas of our nation.

We must accept our role as representatives of the people and do everything possible to bring relief to those so affected. We cannot, of course, legislate rain, and therefore I have listened attentively to the speeches presented in this House and in committee by those most familiar with the problems attendant with the drought in the specific areas they represent. Their deep concern is evidenced in the calibre of proposals which they have set before the House.

I trust that hon. members opposite will not be too proud to give adequate attention to the specific suggestions put forward by hon. members on this side whose ridings, constituents, friends and families are in the drought areas and whose concerns reflect a deep awareness of the implications which the drought carries, implications which require an attentive reaction totally free of political strategies.

● (1610)

Let me say something about my own area, something which, at first sight, seems to be a contradiction. The Okanagan-Similkameen area is renowned for the production of tree fruits of incomparable excellence, quality and appearance. This area is now attaining an equal reputation for super grape production, with most of that production destined for the grape crushers of Canada's newest and finest wineries. We have market gardens, ground crops and cattle farms. These verdant agricultural endeavours blossom and flourish in a desert. The natural vegetation on much of the land is bunch grass, sage bush and greasewood.

The agricultural potential of this area depends entirely on the judicious use of water from the limited precipitation in this whole watershed area, for domestic and irrigation purposes. Water shortages threaten communities and individuals in my riding, but there is something that we can do to relieve the situation and perhaps even to eliminate the problem, but the solutions are capital intensive. So we must set our priorities for spending in order.

There should be no more Mirabels, on which over $500 million was spent thus far. It is losing more than $1 million a week. It is so deficient in concept that the airlines are refusing to use it.

Mr. Pepin: Not true.

Mr. King: Mirabel does not even have the merit of fulfilling a need. We read such headlines as "Lonely Mirabel deserted once again." The article goes on to say:

> Another airline is bailing out of sorely underused Mirabel airport, bringing to four the number of defections to date.

The reference is to Scandinavian Air Services. Mirabel is a disaster that was totally unnecessary, a blunder of major proportions perpetrated for reasons about which we can only conjecture.

Mr. Pepin: Keep to the subject.

Mr. King: The point of this reference to Mirabel is to refute emphatically the often stated complaint heard from ministers opposite that members on this side ask the government to cut the size of the national deficit while, at the same time, they ask the same government to spend money on specific programs.

Mr. Pepin: Subject.

Mr. King: This repetious and arrogant argument is, of course, the norm that can be expected from those opposite. We on this side advocate a regime of spending priorities. These federal spending priorities must be set to maximize the benefit to the nation rather than to the Liberal party. I know that this is a radically new concept which would be difficult for hon. members opposite to grasp. But I think that they might even start enjoying the feeling of doing something worthy for their country.

Mr. Pepin: Subject.

Mr. King: They must be warned that the highest priorities should not always be given to moving and establishing departments and agencies of the federal government exclusively to ridings represented by ministers of the Crown. So I am suggesting that a review of priorities would leave room to put tax money to better use without increasing the demands on the taxpayers of Canada.

Having indicated the beneficial transformation made possible in Okanagan-Similkameen through the auspices of the ARDA program of funding assistance, I must point out that the job is not completed.

Individual areas and communities in my riding face their own drought possibilities due to inability to provide independent financing for upgrading. Westbank, a growing, expanding community, is suffering growth pains most evidenced and highlighted by last summer's water shortage which resulted in parched lawns and wilted gardens and even threatened the ability to flush toilets. This local community's drought resulted from design limitation in the water collection facility of the Westbank irrigation district. The water is there, the below-intake delivery system is in place, the engineering is available, the desire and initiative is present to tackle the problem, the action-inhibiting circumstance centres around available funding.

We, as legislators, must priorize the ultimate destiny of the Canadian tax dollar so that the federal government can assume a positive, supportive, financially responsive role in assisting communities such as Westbank and Skaha Estates and Naramata and Midway and Greenwood and Grand Forks and Oliver and Osoyoos, and others, with equal imperatives. We must assist them in the resolution of water-related problems beyond their fiscal abilities—whether these problems be ones of supply or ones of the disposal of domestic waste.

The Skaha Estates improvement district and the Naramata irrigation district are examples of places where rural water systems in the Okanagan Valley are in desperate need of capital funding assistance. The water is available, but the funding for its distribution is not.

One can now sense the real frustration of these once complacent westerners when they consider the vast amounts of taxpayers' funds that are squandered on such projects as the one I mentioned, namely, Mirabel, or the 3 per cent loan to Cuba—that great purveyor of cummunism and communistic effort in our hemisphere and in Africa—some of the undisciplined CIDA projects, and yes, even the $258,000 advertising program after the fact telling Canadians what a great job this government had done in choosing a fighter aircraft. "A good deal for all of us in Ontario" said the ads in Ontario. In Quebec they said "For the Quebeckers in particular." In the west they said "A Good deal for all Canadians." Imagine that this advertisement ran two times in the Pentiction area. What was its purpose? Pentiction has many things going for it, but an aerospace centre it is not.

So again I must press for priorities to be assigned. Surely the over one quarter million dollars could have been better spent on the acquisition of works to provide vital potable water in a community where disaster threatens in the form of limited supply. No wonder Canadians are becoming cynical about their government, this government opposite which continually pleads poverty but acts as an irresponsible spendthrift.

I think hon. members opposite should take on the task of explaining Mirabel, of explaining the recent one quarter million dollar advertising and breast beating about the F-18, explaining to the people of Canada the government's recent movement of facilities to cabinet ministers' ridings, moves which are costing Canadian taxpayers millions of unnecessary

dollars. Hon. members opposite should take on the task of explaining their priorities to Canadians.

Mr. Baker (Nepean-Carleton): Yes, explain.

Mr. Evans: I rise on a point of order, Mr. Speaker. The challenge was thrown to explain priorities, but I should like to challenge the hon. member to explain how the particular set of subject matters he has just been relating for 15 minutes has anything to do with the drought problem in the prairies of western Canada.

Mr. Deputy Speaker: Order, please. The hon. member's time has almost expired. He has about 30 seconds in which to comment.

Mr. King: I think I should take the time to say that I understand the topic to be the drought in western Canada, and British Columbia has been mentioned. I come from British Columbia and I have explained my situation.

Mr. Evans: Look at the motion.

Mr. Baker (Nepean-Carleton): He did.

Mr. Pepin: Explain.

An hon. Member: He does not understand it.

Mr. Pepin: It is the coming of the second drought.

Mr. King: I appreciate the interjections. The people at home understand the implications of a lack of water supply. You may not understand it as it applies to the Okanagan Valley. I do, and the people out there understand it.

Mr. Deputy Speaker: Order, please.

• (1620)

Mr. Peter Elzinga (Pembina): Mr. Speaker, I appreciate the opportunity to participate in the debate on the motion brought forward by the hon. member for Medicine Hat (Mr. Hargrave). If there is one individual in the House of Commons who understands the drought conditions in western Canada, surely it is the hon. member for Medicine Hat. Because of his personal knowledge and the basis of his livelihood, he has firsthand experience in this area. One could not help but be moved when one heard the presentation he gave earlier. He shared with us the situation which existed in the 1930s and the possibilities of it developing again now.

In participating in this debate I should indicate that I am somewhat amazed by the participation of the member for Northumberland-Miramichi (Mr. Dionne) who supposedly is the twin of the hon. member for Calgary Centre (Mr. Andre). Rather than rising in his spot for a two-minute interjection, I thought he would be more concerned about the constituencies with which he is concerned and would participate in the debate himself. In the six years that I have been here, I think the hon. member has made more speeches from the seat of his chair than he has from his feet.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, on a point of order, I am a little bit surprised that the hon. member for Pembina (Mr. Elzinga) either cannot read or cannot understand what be reads. Certainly I am not twinned with the hon. member for Calgary Centre (Mr. Andre), God forbid. I am twinned with the Liberal riding association in Calgary Centre, of which I am very proud. I do not pretend nor ever have pretended to be a spokesman for the west.

Mr. Baker (Nepean-Carleton): That is not a point of order.

Mr. Dionne (Northumberland-Miramichi): How I speak in the House of Commons—

Some hon. Members: Order, order!

Mr. Deputy Speaker: With all due respect, I do not think the hon. member is making a point of order; it is a point of debate.

Mr. Baker (Nepean-Carleton): You can raise it as a question of privilege on Monday.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, a point of order—

Mr. Deputy Speaker: The hon. member for Northumberland-Miramichi (Mr. Dionne) has not established a point of order to this point.

Mr. Dionne (Northumberland-Miramichi): I shall, Mr. Speaker.

Mr. Baker (Nepean-Carleton): Why didn't you do it the first time?

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the hon. member for Pembina reflected on my ability to represent my constituency.

Some hon. Members: No, no.

Mr. Dionne (Northumberland-Miramichi): Indeed he has. He has reflected upon my ability as a representative in this House of constituents who elected me, by saying that I had made more speeches from my seat than from my feet. I speak from my feet when I have something of importance to say in the House, I argue across the floor from time to time as do hon. members opposite all the time. The hon. member has no right to reflect upon the representative abilities of other members in this House.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The Chair hopes with this exchange the hon. member will be able to continue his speech.

Mr. Elzinga: Mr. Speaker, I rather enjoyed this exchange because I had never heard anyone put on record exactly what the obligations are of the various members who are twinned with constituency associations or whatever. I am surprised the hon. member would associate himself with such a group of

losers because it is obvious that is exactly what he is, and he is exemplifying his own position by rising to protect it.

Mr. Deputy Speaker: The Chair invites the hon. member to speak to the motion.

Mr. Elzinga: In speaking to the motion and the release put out by prairie members of Parliament in regard to the drastic drought condition, we have stated a number of options we would like to see the Liberal government follow. One such option is that the Department of Finance should bring in income averaging. The hon. member for Wetaskiwin (Mr. Schellenberger) on a number of occasions brought this proposal before the House of Commons. I should like to refer his speech of on February 26, 1979, in which he referred to a study that was done by Peat Marwick and Partners for the Alberta department of agriculture entitled "Feasibility of an Income Averaging Trust Account". The objective of this plan was that farmers would deposit a portion of their income during high revenue and withdraw funds in lower income years. This would give the farming population faced with such conditions as the current one an opportunity to equalize their incomes.

During the short period of time that my party was in government, we brought forward a number of positive proposals as they pertain to the agricultural sector in Canada. We laid them before the House of Commons, or were in the process of laying them before the House of Commons. Even though they do not affect directly the drought situation as it exits in western Canada, they affect the agricultural sector throughout Canada.

I wish to review some of those positive proposals. The reason I do so is to compare them with the action, or I should say inaction of the present Liberal administration regarding the very serious drought situation as it exists especially in Saskatchewan. In our budget which the other parties saw fit to defeat, we included significant capital gains relief for the farming sector. We promised that during the election campaign, and we delivered on that commitment when we were the government. We promised to make the salaries paid to spouses of farmers deductible for income tax purposes. I was encouraged to see in the so-called mini-budget brought down by the Minister of Finance (Mr. MacEachen) that he included such a provision in his economic statement.

Also we promised a meat import law. The hon. member for Medicine Hat had been working on that when he was parliamentary secretary to the minister of agriculture. He had it ready for presentation to the House of Commons. It is my understanding, at least from the commitments we have to date from the Minister of Agriculture (Mr. Whelan), that he is thinking of introducing a meat import law of his own. It remains to be seen whether he will do it or not, because this has been promised in the past.

We came forward with positive proposals. In regard to the drought situation, the hon. member for Medicine Hat who has spoken on this on several occasions in the House of Commons again has come forward with a plan of action which we would like to see the government adopt. When we read some press stories about what the government will do in regard to the drought situation, it is obvious their concern is only with the appearance of it rather than with exactly what they will do. I should like to quote from the Regina *Leader-Post* of May 27, 1980, the article entitled "Cabinet told to look good even if it can't really help", which reads as follows:

> Draft proposals prepared for the federal cabinet on the drought in western Canada have warned that even if the federal government cannot do much to alleviate the impact of the drought, it must appear to be responding to the situation.

We do believe that is good enough. We would like to see some positive action as was outlined by my colleagues who spoke before me. I am referring to positive action not only in regard to the drought situation, but also in regard to the difficulties western agriculture is facing in totality. If the example we were given yesterday in question period by the Minister of Transport (Mr. Pepin) is the type of action that the government is taking, obviously once again the western Canadian farmer will be left wanting.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I must say that in our corner of Saskatchewan we are all saddened by the very tragic road accident that happened a couple of days ago in which some 22 young workers were killed. Certainly my condolences go out to the friends and relatives of the victims. Also I should like to pay tribute to the authorities in Swift Current and district, particularly the medical staff involved.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): We would like to see Swift Current put on the map, but not through such terrible headlines.

The hon. member for Prince Albert (Mr. Hovdebo) suggested that the hon. member for Medicine Hat (Mr. Hargrave) wanted to reduce the breeding herds. This is not correct. What he was suggesting was absolutely the opposite, that is, to protect the breeding herds through our taxing system with an income averaging trust account so that cattlemen could run their own stabilization plan. This is something we have called for many times over the last few years.

● (1630)

It is the cyclical weather swings, among other things, that give rise to the ups and downs of our agricultural income, that make us look first to our provincial and municipal governments for immediate assistance. As a result of this it makes us in western Canada particularly jealous of our natural resources. We see them as the only possibility of making our provinces financially strong enough to ride out the inevitable downswings and catastrophes that face agriculture, Saskatchewan's basic industry.

Yesterday the Minister of Agriculture (Mr. Whelan) stated that he got 1.3 per cent of the federal budget, and appealed for help in having it increased. I should like to take this opportunity to say a few words about the importance of agriculture,

not only to our nation but to the world, and about why it is so important to keep it viable, giving producers confidence to face the futre, most especially the young people who will be entering agriculture.

Our good friends to the south are way ahead of us in the way they are placing great stress on scientific agriculture. Agricultural colleges in the United States are now filled with the brightest young students. There is some excitement about agriculture down there which we do not have in Canada. I am sure the Americans have made the decision, looking ahead, that as they run down their natural resources, high technology and their ability to produce food will be the two great strengths of that nation.

I would like to look ahead one generation to the year 2000. The trouble with looking ahead is, of course, that it seems to be so distant and so far away; we can hardly imagine it. However, if we look back one generation, 1960 is the same distance back as the year 2000 is ahead, but it only seems like yesterday. What did we have one generation ago? We had gold selling for $37 an ounce and wheat selling to the Russians and Chinese at $2.60 per bushel. Now gold is $500 an ounce and wheat is selling at about $6 a bushel. As one of my colleagues said sometime ago, during the last generation we enjoyed cheap energy, cheap money, and cheap food. Now as we enter the eighties we see that cheap energy has gone, cheap money has gone, and I suspect that the era of cheap food will be the next to go. Two of the three have already gone.

Let us take a look at the importance of agriculture to Canada and the world in the area of security and co-operation. Surely it was agricultural deeds, the ability to produce food and move it commercially around the world, that opened up the links between the eastern and western worlds. I can think of the exchanges that followed, technical, economic and cultural, and I am sure this has been the greatest influence on security and co-operation that our world has seen in the last 20 years.

If we look ahead one generation the experts say world population will be up by 50 per cent. That means there will be six billion souls in the world. Arable land will decrease by 25 million acres, and for the first time agriculture will not be devoting its resources to producing food, but more and more to producing fuel. We will find food production competing with energy, with all the inputs required. This year alone Brazil will be planting more acres to sugar cane for alcohol production than the total world planting of sugar cane five years ago. We also must give some thought to the moral implications of this food versus fuel situation.

At the very local level, much as I admire PFRA, they seem more concerned right now in southwestern Saskatchewan about moving some cottage owners off a small dam, Duncairn Dam, than they are in working toward a solution of our water problems. As a first step I suggest once again that the minister give consideration to putting PFRA back into agriculture where it belongs.

In the southwest corner of Saskatchewan we have a tremendous aquifer. So far there is only one well drilled down to it. This requires drilling about 1,400 feet and is very expensive, $40,000 a well. We have only one. Surely some work could be done on this resource.

The hon. member for Mackenzie (Mr. Korchinski) spoke about the farmer taking a chance, going ahead and seeding in spite of high interest, lack of moisture and low prices for his products. I think this attitude of farmers can be summed up in the one word "craft", which to me is a combination of skill and cunning. It is something that no government will ever really understand.

It is my understanding that the flood damage compensation from last year's Manitoba floods has still not been paid out. Surely we must have faster action than that. Compensation should now be in the process of being paid out for the flood of people to Winnipeg and other cities as a result of the move from the forest fire regions. There should be federal contribution to forest fire labour expenditures, and it should be immediate. Once again, immediate steps should be taken to protect our breeding herds for the livestock industry. We must have some long-range planning to protect our most important industry in Canada, agriculture, for its contribution to our nation's well being and to others will be one of our greatest assets in the years to come. I urge the minister to do everything he can to expedite some fast action in this regard.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I thought the hon. member for Vegreville (Mr. Mazankowski) wanted to say a few words, but I will be very brief. I will take just a few moments to indicate my concern as well about the drought situation on the prairies, and the concern that has been expressed to me by a number of people in the last few weeks.

I concur in what other western members are saying, and that is that the federal government must act as quickly as possible, and must do all that is possible to alleviate the situation facing our people.

The hon. member for Swift Current-Maple Creek (Mr. Hamilton) pointed out the importance of food and agriculture in our economy and in the world. I want to concur with that, and to say that if we have to budget a few extra dollars now to help compensate farmers for the losses they are sustaining, by deferring payments on Farm Credit Corporation loans and the like, then that is a worth-while investment, because these farmers will need that money to maintain their operations, and the production of food is the most important thing that human beings can accomplish. We have a lot of people in this world, and if we do not produce food there will be more and more starvation.

I do not think most members of this House realize that Canada, according to the federal Department of Agriculture, is a net importer of food already, to the tune of $2 billion. If we include oilseeds and grains, according to the Science Council of Canada, by the year 2000 we will still be a net importer of food. This is a fact about a country with a small population, with a skilled work force, and with all the scientific and technical knowledge at our disposal. Still we will not be able to

feed ourselves. It is important when we get into a crisis like this that we are willing to invest a few extra bucks to make sure the farmers stay on the land, that they do not sustain losses, that they are helped in the national cause and in the national interest. I believe that to be a very, very important thing, indeed.

Many things can be done in the immediate sense and I have already mentioned a moratorium on loans. I mentioned assistance to get feed out to the prairies for livestock—the federal government could provide money for that—and assistance to farmers to find more water through dug-outs and wells and things of that nature. These are all very important. This is a real crisis, and that must be emphasized as vigorously as possible.

● (1640)

The hon. member for Prince Albert (Mr. Hovdebo) mentioned how very unfortunate it is that the people who drafted the cabinet memo said that even if the government could not do much, it must appear to be responding to the situation for political reasons. That made a headline on the front page of the *Leader-Post*—"Cabinet Told to Look Good even if it Cannot really Help". Maybe the advisers got careless when writing to memo. Maybe it should not be leaked, but I do not think memos of that sort should even be written. They just increase the feeling of alienation and cynicism in the country that once again it is "they" in Ottawa who are trying to do a snow job, that they are up to their old trickery and up to no good once again. It just reinforces that kind of feeling. I hope the government will learn from his experience. Even if Ministers feel that way they should not put it in writing. I hope that they do not feel they have to do things for the sake of appearance and just put on all the cosmetics in order to look better. I think the Minister of Transport (Mr. Pepin) can look well if he puts him mind into gear, without all the cosmetics.

These are the things that I am concerned about, that we do what we can to protect the agricultural industry. Farming is our No. 1 industry. It produces a lot of jobs in itself, and also in food processing and transportation. There is also the problem of feeding the world's people.

We have a lot of problems in the west that make farmers very angry and upset. One is the question of the grain boycott. Just the other day the hon. member for Prince Albert pointed out that despite the fact there is a boycott on grain in the world, the Russians are purchasing as much grain now as they did before the boycott. That makes our people very angry. The Argentinians, for example, have tripled their sales of grain to the Soviet Union. Spain is shipping some of its grain to the Soviet Union and buying cheaper grain from the United States where the market is depressed, thus making a profit on the grain they have in storage.

Some companies are shipping grain mysteriously to the Soviet Union. Once ships get out to the centre of the ocean they mysteriously change direction and their cargoes end up in Poland, Romania, and other countries. The Soviet Union ends up buying as much grain as it did before the Carter boycott, although perhaps at a higher price. The price of grain in Canada and the United States has gone down and the farmer suffers.

Just today the hon. member for Brant (Mr. Blackburn) asked questions about lay-offs in the farm machinery industry involving 5,000 workers. The Minister of Industry, Trade and Commerce (Mr. Gray) replied that people are buying fewer tractors, combines and farm machinery. This is because their income is not as good. The grain boycott affects them, the drought will affect them, and high interest rates affect them. All these things add up, Mr. Speaker.

Mr. Pepin: We had a record export this year.

Mr. Nystrom: Yes, we have good exports but the price has fallen. When the cost of production goes up and the price falls, even though the exports increase it does not mean the net income of the farmer increases. The farmer is caught in a cost-price squeeze and that is one of the reasons he is buying less farm machinery. The consequence is lay-offs in Brantford and other farm machinery plants in Canada and North America. The only way of putting those workers back to work is to improve the farm economy.

These are several of the problems we face on the prairies. I am not going into them in detail. One way to alleviate them is to try to get extra money from Treasury Board to be spent on helping farmers in need through moratoriums on loans, helping them find more water supplies, feed supplies for cattle to make sure that the basic herds are not sold off and that some marginal farmers are not forced off the land. All this may cost a little more in the short run, Mr. Speaker. I suggest it would be a good investment in the long run, however, to protect the farmers and people of this country, our No. 1 industry and the most important commodity in the world, food.

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I take great pleasure in participating in this debate which has been an excellent one. There have been good speeches and excellent contributions by members from all sides of the House. I should like to commend the government on its conciliatory approach to this very urgent and pressing problem. It is a very serious problem and one for which the government must take a great deal of responsibility. Clearly the federal and the provincial governments of the day have a heavy responsibility to ensure that the viability of our basic industry, agriculture, is preserved. There were excellent presentations by the hon. member for Medicine Hat (Mr. Hargrave), the hon. member for Swift Current-Maple Creek (Mr. Hamilton) and the hon. member for Mackenzie (Mr. Korchinski).

It is quite clear that the most pressing problem at the moment is that of the cattle industry. You have been in this House a number of years, Mr. Speaker, and you have heard of the various problems associated with the cattle industry as a result of depressed prices and situations such as the present drought. One wonders just how many blows this important industry can survive. It has undergone a number of setbacks.

The fact that the cattle producers of this country are very resilient and enterprising is a tribute to them and the fact that they have been able to survive.

The government must respond with some action. The comments of spokesmen on the government side lead us to expect some positive and affirmative action. The proof of the pudding will be the programs and steps they initiate to deal with this very important problem.

A number of very good speeches have dealt with the importance of the agricultural industry. What is disturbing, however, is that some of the things that have happened in the few months since this government took office show that there has been a plan for the reduction of the initial price of wheat. Wheat is still one of the major commodities produced in western Canada, and this government has seen fit to reduce the initial price effective August 1.

Mr. Pepin: Compared to the adjusted price.

Mr. Mazankowski: The Minister of Transport (Mr. Pepin) is saying compared to the initial price set last year. That is true, but the Conservative government that was in power adjusted those prices and paid an interim payment. What in effect has occurred is a reduction in the initial price of some 50 cents per bushel. The minister cannot deny that.

We also have a situation where for a long time—

Mr. Pepin: Oh, oh!

Mr. Mazankowski: Mr. Speaker, the Minister of Transport had his opportunity to make a speech. I am sorry I missed it, as I do not know whether he covered this point. If he wants to make another speech I am sure the House would concur. I would certainly like him to clarify that point. For the life of me I cannot understand how a government can reduce an initial price and then suggest it has increased it. The initial price, as it now stands, will be reduced effective August 1. There is no question about that.

I want to turn now to the two-price system. For a long time it has been recognized that the impact of the two-price system has placed a heavy burden on the producer. The current price of wheat for domestic human consumption is between $4 and $5, while the international markets are considerably above that. They were as high as $6.

● (1650)

In terms of looking at it from the point of view of the cost of production of grain, since 1973 when the two-price system was put into effect, there has been an increase of 105.5 per cent. If you take that back to the price established at that time, you would come up with the figure of $6 per bushel. As a government, we were prepared to increase the price. As a matter of fact we had cabinet approval to increase the price of wheat for domestic human consumption to a level of $6 per bushel. That price would have been in effect right now had our government not been defeated. Because of our government's defeat and the subsequent taking over of the government by the Liberals, the farmers have lost something in the order of $25 million.

We have to address these matters in a very serious way. What is of deep concern to me, and I am sure to many other members of this House, is the fact that this country, even though it has a tremendous agricultural potential, is relying more and more upon imported foods to feed Canadians. In 1978, Canadians spent some $3.25 billion on imported food. That is almost equal to the $3.8 billion that we paid for imported oil products in that particular year.

We have a tremendous potential in Canada for production of food. However, if we were to take away the exports of our grain and oil seeds, we would be very, very heavily reliant upon imports of food and we would have a very negative imbalance in terms of our agricultural trade picture. Notwithstanding the fact that we are able to penetrate the world markets for wheat and oil seeds, and notwithstanding the fact that we are competing against countries that subsidize their producers very heavily—in this connection I am thinking of the United States and the European Common Market—we do quite well in feed grains, cereal grains and oil seeds, but there are a number of areas where we do not do as well.

By way of illlustration, in little over a decade our self-sufficiency in peaches has fallen from 40 per cent to 19 per cent; apricots have fallen from 48 to 25 per cent, and tomatoes from 74 to 43 per cent. In 1978, Canada imported $331 million in meats, primarily beef and pork, most of which could be grown and processed in this country. Next I come to the potato growers in Canada. Our tariff duty of 37.5 cents per hundredweight is one-half of the U.S. duty on its potato imports.

What we have to do is recognize the potential in terms of the food production in these areas. We hear it said often that Canada does not have an energy shortage. We may have a shortage of oil, but we do not have an energy shortage. We have many alternative forms of energy which we could use for the encouragement and the expansion of market gardening. Great reliance on hot house production, as far as I am concerned, is essential. Surely with the energy potential that we have, we should be co-ordinating that potential with the potential that we have in agriculture so that we can become more self-reliant in the total area of food production.

Clearly, that is one of the challenges of this government and one of the challenges of this House of Commons. More and more of our acreage should be shifted to fruit and vegetable growing. There is much land in this country that is not being used in its most productive way. It means that we have to be a little more enterprising and more innovative. A country that has the potential of feeding itself is on a drift which I believe will be very serious.

Let us go back to the time of the oil crisis. Prior to 1973 it was suggested that we had all kinds of oil. Yes, the reserves were there. The potential was there. But our will and desire to produce and exploit that were not there. We find that condition exists today, particularly in the absence of any definitive policy by this government to develop an energy plan which would provide self-sufficiency for oil in this country.

We have heard some very good suggestions today. We have had suggestions with respect to taxation policy which would help to alleviate the burdens and pressures caused by drought situations, such as this. The annual income averaging program, which has been referred, to is a very excellent example. The matter of capital gains is another one. There are a number of these things which form part and parcel of this party's and our government's agricultural policy. Some of those items were defeated in the budget that we presented to this House in December. Now I find it very strange that some of my hon. friends to the left are harping and chastising the Liberal government for its failure to act in a number of these areas.

This party which formed the government in May, 1979, really identified with a number of the agricultural problems in this country. We addressed those problems. We had a plan of action. We brought forth programs. I find it very strange that the NDP, notwithstanding the fact that these programs were for the benefit, particularly of western Canadians and western agricultural industries, did not support those programs. For reasons of political expediency it defeated the budget which was going to transform many of those thoughts and policies into action. In the short period of time that we were a government we did create an improved climate of confidence with respect to grain production in this country, and particularly our ability to move grain to export markets.

I am pleased that my hon. friend, the Minister of Transport, has continued with a number of those programs. I have the assurance of the minister personally, and he has given that assurance in the House, that that will continue. I commend him for that stand. If we are going to develop and continue to exploit our export market potential, we must demonstrate to those customers that we have the facility and the capacity to move our grains to an export position when needed.

We have lost many markets. As a matter of fact over $1 billion has been lost in the last two years as a result of our failure and inability to move grain to an export position when our customers demanded it. It is important for the producers to know that we will have the ability to move that grain to an export position. It is important for them to plan.

I urge this government to deal with this matter very seriously. This drought situation is one of those areas in which it can now act to ensure a continued climate of confidence and stability so that our producers can plan not only for this crop year but for future crop years.

As hon. members know, the amount of foreign exchange generated out of the export of grain and oil seeds to the export market is a very important component of our total economy.

Today we have heard of the impact that any reduction in agricultural revenue and activity has upon the industries of eastern Canada.

I conclude by saying that this has been an excellent debate. I am pleased by the conciliatory attitude of the government. I simply want to say this that that conciliatory attitude will have to be backed up and demonstrated with positive actions and programs to ensure that this agricultural industry, so important to us, can continue to grow, develop, and survive as a vital industry.

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BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, may I ask if it is still the intention to return to the debate on Bill C-30 on Monday?

Mr. Kaplan: Mr. Speaker, on behalf of the government House leader, I can inform the House that that is the intention of the government for Monday, namely, continuing debate on Bill C-30, the Supplementary Borrowing Authority Act.

[*Translation*]

Mr. Deputy Speaker: It being five o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11) the proceedings on this motion have now expired. This House stands adjourned until Monday next at 2 p.m.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 2, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SOUTH AFRICA—ARREST OF REVEREND TOM ANTHONY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I rise on a matter of urgent and pressing national necessity. In view of the recent arrest in South Africa of Reverend Tom Anthony, director of the Canadian Anglican Church's national and overseas mission, along with 52 South African clergymen, and given that these arrests have taken place at a time when clergymen from around the world are meeting in South Africa and have stated their opposition to apartheid at some considerable personal risk, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House urges the Government of Canada to protest to the government of South Africa the arrest of Reverend Tom Anthony and remind South Africa in the most forceful manner possible of Canada's continued opposition to any form of apartheid.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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LIONS INTERNATIONAL

SIXTIETH ANNUAL CONVENTION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, under Standing Order 43 I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House welcomes the members of Lions International, Multiple District "A" to Canada's capital on the occasion of their sixtieth annual convention, their diamond convention, which is taking place at the present time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

TRANSPORT

PLANS OF ACTION TO REDUCE SHIP-BRIDGE COLLISIONS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise on a matter of growing urgency to many parts of Canada. There have been over 20 major collisions between ships in motion and standing structures since 1965, resulting in large loss of life and countless millions in costs. Every day of delay by the federal and other levels of government in providing fendering protection for bridge piers brings us a day closer to a major disaster, one which could be significantly reduced if not eliminated. I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this House regrets and condemns the Minister of Transport's failure to bring together the appropriate authorities for the purpose of developing plans of action to reduce the ever-growing danger of a major disaster.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION—ADVERTISING CAMPAIGN TO EDUCATE AMERICAN TOURISTS REGARDING AMERICAN INSENSITIVITY—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. Given that there is universal recognition of the disastrous impact of acid rain upon our environment and economy, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House unanimously support a program to be undertaken by the Department of the Environment for a full public relations campaign directed at American tourists that would include billboards and leaflets at every border crossing and media advertising to educate our American neighbours regarding the insensitive and intransigent attitude taken by their legislators toward protection of Canada's environment from American pollution.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ROYAL CANADIAN MOUNTED POLICE ACT

SUGGESTED REVOCATION OF SECTION 33 OF REGULATIONS—MOTION UNDER S.O. 43

Mr. Chris Speyer (Cambridge): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the frank and welcome acknowledgement by the Solicitor General (Mr. Kaplan) that present internal discipline procedures are unfair as they pertain to members of the Royal Canadian Mounted Police charged with offences which might result in the dismissal of such members, and in view of the promise of the minister to introduce promptly legislation to replace the totally inadequate procedures presently in place, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House direct the government to revoke forthwith, by order in council, section 33 of the regulations of the RCMP Act which deny counsel to members of the force charged with offences which could result in their dismissal and that the Solicitor General require the Commissioner of the RCMP to issue a directive which would permit members of the force charged with such offences to retain professional counsel.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

SPORTS

HOCKEY—GOVERNMENT ASSISTANCE FOR NEW CALGARY ARENA—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of the fact that the new Calgary team in the National Hockey League will be playing its home games for the next couple of years in the Calgary Corral, which seats fewer than 7,000 people, in view of the fact that all of those seats have already been sold for the entire upcoming hockey season, and in view of the fact that a new arena would greatly enhance Calgary's chances of getting the 1984 Winter Olympics, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That this House direct the Minister of Fitness and Amateur Sport to proceed immediately to provide any and all possible assistance from the federal government to ensure that Calgary will receive a new arena at the earliest possible date.

Madam Speaker: Such a motion require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

TRANSPORT

CROSS LAKE, MAN.—LOWERING OF WATER LEVEL BY MANITOBA HYDRO—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the actions of Manitoba Hydro have resulted in drastic reduction in the level of water in Cross Lake, Manitoba and that the people living there, including about 2,000 members of an Indian reserve, have lost the use of the ferry system to their community—

Some hon. Members: No!

Mr. Murphy: It is interesting that the Conservatives have not yet heard the motion. They are obviously not very concerned about the Indian people. Since they have lost the use of the ferry system and have been deprived of certain revenues and a vital food source usually available from fish in that lake, in addition to facing a dangerous health hazard to their water supply, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House request the Minister of Indian Affairs and Northern Development to look into the situation at Cross Lake, provide assistance to the people living there and assure that Manitoba Hydro take steps to guarantee that an adequate level of water is kept in Cross Lake.

Madam Speaker: Under the terms of Standing Order 43 such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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COMMUNICATIONS

SUGGESTED LICENSING OF EARTH SATELLITE RECEIVING STATIONS IN REMOTE COMMUNITIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that municipally and privately-owned unlicensed earth satellite receiving stations provide popular television entertainment in many western and northern areas of Canada which otherwise are inadequately serviced, and in view of the threatened prosecution of certain station operators by the Minister of Communications (Mr. Fox), I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That policy and regulations be developed whereby operators of such satellite receiving stations could be permitted to provide these desired community services within the sanction of law and that in the meantime they not be subject to such legal action by the government as would deny accustomed services to residents of remote communities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

FREEDOM OF INFORMATION

REQUESTED INTRODUCTION OF LEGISLATION—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that the government has twice promised in Speeches from the Throne that it would introduce freedom of information legislation, in view of the fact that the Clerk of the Privy Council, one Mr. Pitfield, has indicated that he was not favourable to court appeal procedure when there was dispute between the government and the citizen, which is at the heart of freedom of information, and in view of the fact that there is a German delegation here meeting with us on the subject of freedom of information, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That the government be instructed to bring in the same bill as was presented to Parliament by the former government as soon as possible.

Madam Speaker: Such a motion, under the terms of the Standing Order, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SPORTS

RECOGNITION OF NATIONAL CHAMPIONS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to put forward a motion which should gain the full support of the House.

When this country joined the boycott of the Moscow Olympic Games we asked for the support of the athletes and they have given that support, in many instances at great sacrifice to themselves. Now we hear that in some instances national organizations or associations are not competing at a national level to determine national champions at a time when successful athletes should be so recognized and honoured.

● (1415)

I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That in the interest of maintaining a high level of morale and co-operation in our Canadian athletes this House urge the national governing body of the individual elite sports within Canada to determine national champions through trials or other suitable competitions and that those national champions be appropriately recognized.

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

Some hon. Members: Agreed.

Some hon. Members: No.

THE ADMINISTRATION

CONSTITUTION OF SPECIAL COMMITTEE TO QUESTION SENATE MINISTERS—MOTION UNDER S.O. 43

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the present system of appointing members of the Senate as ministers responsible for various departments denies elected members of the House of Commons the opportunity to question and pursue matters which are of direct concern to their constituencies, and whereas the present system of twinning a minister from the other place with one in the Commons results in the minister who answers in the Commons being nothing more than a messenger boy, which denies members of the House of Commons an opportunity to pursue a question where answers are vague or incomplete, I move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That the Prime Minister institute a system whereby ministers who serve from the other place may appear at least once a week before a special sitting of a parliamentary committee constituted specifically to have these ministers appear before that committee, whose sole purpose would be to provide elected members the opportunity to question them on day to day operations of their respective departments.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

UNITED STATES FOREIGN POLICY—REPORTED CRITICISM BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is addressed to the Prime Minister and it concerns statements made by the Secretary of State for External Affairs over the weekend. On the television program "Question Period" the minister said, and I quote:

I have a lot of reservations about American foreign policy, about their lack of consultation, about their lack of adequate leadership.

Since the hon. minister was speaking as Canada's foreign minister, could the Prime Minister tell us whether he was speaking for the government when he voiced his reservations about the lack of adequate leadership in the United States today, and have these sentiments been conveyed to President Carter and to the leaders of the United States Congress?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member looks at the other part of the same answer, she will see that the reservations expressed by the minister have to do with tactics but that the minister points

out that we have a considerable amount of agreement with them. However, on some questions of tactics—

Mr. Nielsen: Nice try.

Mr. Trudeau: On some questions of tactics there is obviously, naturally, disagreement.

Miss MacDonald: Madam Speaker, I have a supplementary question because the minister very clearly articulated his reservations about the leadership in the United States today. I would like to go on further. In another part of that same interview the minister gave his view that the United States is at least partly to blame for the current crisis in Afghanistan in that it failed to counter the activities of the Soviet Union in Afghanistan some two years ago. I find it passing strange that the minister should condemn the United States for something it did not do two years ago when he, as minister, took two months to summon up courage to introduce a boycott of the Olympic Games following the invasion of Afghanistan by Soviet troops.

Can the Prime Minister explain why the minister is now levelling his criticism at the United States rather than against those who are butchering children in Kabul?

Some hon. Members: Hear, hear!

Mr. Trudeau: Here again, Madam Speaker, I think it is important that we look at the whole answer rather than just a part. The minister was not singling out any one country for criticism. He made it quite specific that he was talking about all the western powers. He talked about a mistake on the West's part.

Miss MacDonald: "Especially by the United States".

Mr. Trudeau: He was indicating, with the benefit of hindsight, that it might have been better if indeed the West had a couple of years ago, to use his own expression, been more concerned when the satellite government was first set up in Afghanistan about two years ago. So I would not want the hon. lady to think that the minister was directing his criticism at the United States particularly. He was appealing to the West generally to be more vigilant against Soviet aggression.

• (1420)

Miss MacDonald: If the Prime Minister would take the time to read that statement, he would see that it says "and especially by the United States," which the minister did single out.

Then there is another comment which I would like him to explain, if he would. The minister said that the Soviet Union's policies were to look for weak points, that they picked them off, but they do not go against the heart of western civilization, of western Europe. Given that Canada has consistently argued over the years that detente is indivisible, that military adventurism by the Soviet Union in other countries indeed has a bearing on the pursuit of detente in western Europe, am I to assume, then, from the minister's statement that it is now the position of the Government of Canada that Soviet aggression elsewhere in the world against any neutral, non-aligned or Third World country will no longer have a bearing on the pursuit of detente in Europe?

Mr. Trudeau: Not at all, Madam Speaker. If once again the hon. lady looks at the question, she will see that the minister was indicating that this is not happening in Europe because there is some balance of power there. I think he would agree with the hon. lady that the danger is in other parts of the world where such a balance of power does not exist, where, to use his own words, they attempt adventures—

—and are more likely to attack a country like Pakistan or a country like Iran than they are to attempt an adventure in western Europe.

He was indicating that, because of the balance of force in Europe and because of NATO in particular, western Europe was not as endangered as were other parts of the world on which the Soviet Union was putting pressure.

Miss MacDonald: I have one final supplementary question, Madam Speaker. Just so that everyone will know that we are reading from the same transcript, I should like to quote the next line, which the Prime Minister refused to do, where he said that the Soviets are much more likely to attack a country like Pakistan or a country like Iran than they are to attempt an adventure in western Europe. The minister then said:

I think that's completely out of the question.

Will the Prime Minister tell us on what certainty the Secretary of State for External Affairs is able to base his comment that Soviet aggression against western Europe is entirely, completely out of the question? If that is the case, why do we have NATO forces, a NATO alliance? What have we been doing in this last number of years except making sure that we are indeed ready in the event of an invasion of western Europe?

Some hon. Members: Question.

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, it would seem to me that the hon. lady gave the answer to her own question. It is because there is a balance of power in Europe—I repeat, mainly achieved because there is NATO against the Warsaw Pact—that the minister is of the opinion that it is out of the question that the Soviets will attack western Europe at this point. The message is that, if we let down our guard, that certainty will be less plain.

SOVIET UNION—REPORTED REINSTATEMENT OF CULTURAL, SCIENTIFIC AND EDUCATIONAL EXCHANGES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my supplementary question is for the Prime Minister. *The Toronto Star* of yesterday carried an article written by Jean Edward Smith in which the writer praises the Prime Minister for what the writer calls his "deft use of Canadian power" in his decision to reinstate cultural, scientific

and educational exchanges with the Soviet Union next spring. Can the Prime Minister verify the accuracy of that statement and, if it is accurate, can he tell the House what led him to this dramatic reversal in policy; and if it is not true, could he indicate whether he is considering such a reversal and what are the circumstances which would lead to that kind of a change?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not read the article in question, and I am not sure whether it is within the rules to ask the ministry to comment on some published article; but I will gladly look it up and give the hon. member an answer.

Mr. Friesen: Whether or not the Prime Minister has read the article, he should know what is going on in his mind, and if it is one of his considerations, could he tell the House whether he is considering that kind of reversal?

● (1425)

My supplementary question follows on the questions by the hon. member for Kingston and the Islands. It concerns the remarks of the Secretary of State for External Affairs yesterday in which he really roundly condemned President Carter for his so-called lack of leadership as well as the apparent runner-up, Ronald Reagan.

An hon. Member: What about the rest of your question?

Mr. Friesen: I should like to ask the Prime Minister if it is now the policy of this government to meddle with the domestic affairs of another country, something which the Americans happily did not do with Canada during the time of the referendum debate?

Mr. Trudeau: Madam Speaker, the hon. member is repeating in a more aggravated form the question asked by the hon. member for Kingston and the Islands. The minister did not roundly condemn the American leadership. He indicated that on matters of substance there was considerable agreement, but that there was some disagreement as to the tactics. It seems to me that each country is entitled to have differences of view on tactical matters.

* * *

NATIONAL REVENUE

POSSIBLE ENDING OF INDEXATION OF PERSONAL INCOME TAX—SUGGESTED INTRODUCTION OF COST OF LIVING TAX CREDIT

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Prime Minister; it concerns the state of the economy. The reports from both his Minister of Finance and from his deputy minister of finance indicate that the government is giving serious consideration to the possibility of ending the indexation of personal income tax, which means an effective tax increase of $1.4 billion. While we may agree that the index is particularly regressive and we oppose its introduction, I should like to ask the Prime Minister whether, at the same time as his government is contemplating massive tax increases on the personal income side and on the energy price side, the government also is giving serious consideration to the plight of low and middle income Canadians? In particular, is his government giving consideration to the possibility of introducing a cost of living tax credit which would have the effect of stimulating the economy before the recession takes hold?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, quite obviously the Minister of Finance is particularly concerned with the deficit. Surely the hon. member knows that the indexation of income tax rates and social measures set up by the government is extremely costly for the state. The hon. member raised a special point and I think his suggestion should be examined in the general ambit of all hypotheses now considered by the Minister of Finance.

[*English*]

Mr. Rae: Madam Speaker, in light of the reply of the Minister of State for Finance, I should like to address a supplementary question to the Prime Minister. The recession in the United States is taking hold. Indeed, the official figures show that the leading economic indicators have plunged 4.8 per cent in one month, which is the largest decline ever registered on this particular set of indicators since they were started 32 years ago. Is it still the intention of the Prime Minister to delay the bringing in of a budget, or at least a partial budget, which would have the effect of aiding those Canadians who are most affected by the recession, until well into the fall, which means that we will have a winter without any significant stimulative measures for the economy?

[*Translation*]

Mr. Bussières: Madam Speaker, the Minister of Finance has stated his intentions quite clearly. He has indicated that there are basic factors which are constantly under negotiation and which will be of great importance in the drafting of the budget and unless some truly significant changes happen, the minister still intends to table a budget as soon as possible—and he did speak of this fall.

● (1430)

[*English*]

Mr. Rae: I will try again to the Prime Minister one last time, Madam Speaker. I should like the Prime Minister to answer a riddle which I am sure perplexes many Canadians. When in opposition the finance critic for his party, now the Minister of Industry, Trade and Commerce, said on December 12, 1979, as reported at page 2295 of *Hansard:*

> Surely the health of the Canadian economy cannot be looked at primarily in terms of the government's deficit. What is also important, surely, are measures of performance such as the growth of employment, the growth of the economy, and the level of the cost of living.

He went on to say:

These measures are being given second place to a concept which was discredited or, at least, greatly called into question as a result of the bitter experience of the Conservative government of R. B. Bennett in the 1930s.

My riddle to the Prime Minister is this. Why is it that we hear that kind of language and that kind of policy from the Liberal party when they are in opposition? Why is it that the only economic statements made by his economic ministers have been on the problem of the deficit and not on the problems of unemployment, inflation and those difficulties facing the average Canadian?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must disagree with the statement of the hon. member that those have been the thrusts of the policy of the Minister of Finance; on the contrary, we are now budgeting for a very considerable deficit rather than tending toward a balanced budget, as in the case of the United States. We have a very considerable deficit—

An hon. Member: You better believe it.

Mr. Trudeau: Even the Tories agree with that.

Some hon. Members: Oh, oh!

Mr. Trudeau: We have not dignified it with the description of "stimulative deficit" that used to be the description given to it by the Leader of the Opposition.

An hon. Member: You have no excuse.

Mr. Trudeau: That is the effect of this deficit. This very House has adopted, as recently as last week, measures which will increase that deficit, precisely to assist people receiving the guaranteed income supplement and the hon. member was supportive of it.

INQUIRY WHETHER INDEXATION OF INCOME TAX BEING RECONSIDERED

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question in the absence of the Celtic sphinx—

Some hon. Members: Hear, hear!

Mr. Crosbie: —the hon. Celtic sphinx, is to the Prime Minister. My question is this: The Minister of Finance on May 24 in an interview with *Le Devoir* said that "the end of income indexation looms as a probability". Not as a possibility, not that it was under review, but as a probability. I refer the Prime Minister to the February, 1973, budget speech when his then minister of finance said that he was taking steps to provide a lasting solution to the problem should inflation continue. That is, the problem about the effect of inflation on a tax system which has a progressive rate structure.

Would the Prime Minister tell this House whether there is a probability, not just a possibility, that the reform introduced in February, 1973, by the minister of finance of the day at the suggestion of the hon. Bob Stanfield to index the income tax to deal with this problem of inflation and the progressive tax system is being seriously reconsidered at this time by this government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the associate minister answered a moment ago, the government is considering various possibilities and that is one of them. I believe the point was made equally by the deputy minister of finance. I would advise the hon. member, as a former minister of finance, not to believe that a budgetary statement is firm and final until he finds it in the budget itself. And even then, as the hon. member knows, it is not always necessarily firm and final.

Mr. Crosbie: Madam Speaker, my supplementary question is directed to the Prime Minister, who has said that he is not worried; he has made it clear that a large federal deficit itself does not worry him. That does not worry him; it is just the debt charges, just the interest. He does not see the connection between the two.

Mr. Andre: It is not the knife wound, it is the loss of blood!

Mr. Crosbie: The deputy minister of finance appeared before the Senate committee on national finance on Tuesday, May 27, and said that a major study of the revenue system of the government is now being carried out, and I quote, "with the aim of reducing the federal deficit in coming years;" and he said there is need for some kind, and I quote, "of generalized tax increase."

Now that the Prime Minister has the bothersome matter of an election campaign over and he has a working majority, will he tell the House whether it is his aim to reduce the federal deficit and whether he is going to have generalized tax increases this year that he forgot to mention to the Canadian electorate up to last February 18?

Mr. Trudeau: Madam Speaker, if the hon. member refers to the statement made by the minister himself in this House a few weeks ago, he will get the answer to that question. It is to the effect that over a period of time we would like to see the deficit reduced, but we would want to keep in mind that we will not do that if it is necessary to maintain some stimulus to keep the economy growing. That is the effect of the answer I gave to the member from the New Democratic Party a moment ago.

Mr. Crosbie: Madam Speaker, in my final supplementary I put this to the Prime Minister. In February, 1973, when the indexation of the tax system was put into force, it was stated:

—the progressive tax system can leave him worse off than he was before because he has entered a higher tax bracket. What I want to do,—

This was the minister of finance of the day speaking:

—is eliminate that unfair and unintended result from our tax system.

Is the Prime Minister now telling the House that because he has four or five safe years in office he is going to forget the unfair and unintended results that inflation brings to the progressive tax system, with the inflation that he has allowed

to grow over the last eight or ten years, so that this year it is likely to be 10 per cent and even more next year; and is he going to forget the unfairness of that part—

Madam Speaker: Order, please. Order.

Mr. Trudeau: Madam Speaker, it would seem that the hon. member is making an argument rather than asking a question. I would just keep him informed that there have been indexations of various forms of assistance like family allowance, old age pension, veterans pensions and so on. Therefore, we are assisting those most in need by indexing their pensions to protect them against the effect—

Mr. Crosbie: And gouging the taxpayer.

Mr. Trudeau: Madam Speaker, if one wants to protect those in need—

Mr. Crosbie: Taxpayers need help too.

Mr. Trudeau: —help those who need it most, one has to get help from the taxpayer, yes, Madam Speaker. I would have thought the hon. member would have understood this.

* * *

CANADIAN PACIFIC RAILWAY

WINNIPEG—INQUIRY WHETHER PERMIT TO BUILD OVERPASS WILL BE AUTHORIZED

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I have a question for the Minister of Transport. As the Minister of Employment and Immigration announced in Winnipeg on Friday that funding will now be provided for the building of the Sherbrook-McGregor overpass over the CP tracks, could the minister inform me whether he will now authorize the permit to build the overpass that was requested by the city in early 1979?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, what is happening is that the government as a whole is offering the province of Manitoba funds otherwise available, from DREE particularly, in order to effect the relocation program. I do not know what the reaction of the government of Manitoba and the city of Winnipeg will be. I am awaiting a report on the discussions held on this subject.

Mr. McKenzie: As the mayor informed the Minister of Transport, Madam Speaker, they were going to wait until the end of May to see what the government was going to do about rail relocation. We are now into June. The city of Winnipeg wants the permit for the overpass. Is the minister going to issue the permit now for the overpass, and will his department be providing some funding for rail relocation later on or the building of the overpass?

Mr. Pepin: Madam Speaker, there is no difficulty with issuing a permit for the overpass. There is no problem at all on that subject. This has been offered. The city is well aware that they can have it, and so is the province of Manitoba. I assume that in the light of new developments the province and the city would like to have a second look at what is possible.

USE OF ASBESTOS AS BALLAST FOR RAIL BEDS IN QUEBEC

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is also for the Minister of Transport. It arises from a CBC documentary shown on the weekend that showed that CP Rail has used asbestos instead of gravel as ballast for 90 miles of rail line in the province of Quebec.

[*Translation*]

It is a threat to the health of railwaymen and the public. Is the minister prepared to have Canadian Pacific take out the asbestos at its own expense and launch an immediate inquiry into the matter?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is no legislation in Canada governing that aspect but the Department of Environment and the Canadian Transport Commission are now investigating and I will report as soon as I obtain the results of the inquiry.

• (1440)

[*English*]

Mr. Nystrom: Madam Speaker, why can the minister not tell us why he has not ordered CPR to clean up the asbestos which they put on railway tracks?

Miss Bégin: That is what he just told you.

Mr. Nystrom: I know that there is an inquiry in progress, but I am wondering why the minister cannot tell us why he has not ordered CPR to clean up the asbestos which has been put on rail lines. Secondly, the government was informed 16 months ago in February, 1979, that asbestos is a carcinogenic substance. Why can the minister not say whether or not he has asked the CPR whether they will compensate any employee or person who might be affected by the activity of the CPR? Can the minister assure the House that the CPR and, indeed, the CNR has not done this type of thing in other parts of the country as well?

Mr. Pepin: Madam Speaker, that is exactly the reason why I said there was no law on the use of such rock in the building of railways. I specifically said that to indicate why I could not take the kind of action which my hon. friend has in mind. It seems to me that the proper approach is first to inquire prior to exercising the normal diplomatic pressures in these matters.

[*Translation*]

NATIONAL SECURITY

PARTICIPATION OF CANADA IN CERTAIN MILITARY ALLIANCES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the right hon. Prime Minister. It deals with national security. Books have been written, one by Gerald Porter, *In Retreat*, on our armed forces, and another, written by Peter Stursburg on our relationship with NATO. Mention is made, I believe, of the fact that the hon. Léo Cadieux threatened to resign if Canada pulled out of NATO. In view of his remark today to the hon. member for Kingston and the Islands, can the Prime Minister explain whether or not he has changed his mind about NATO?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member was not in the House at that time, but I should like to remind him that in the early seventies, or at the end of the sixties, we undertook to review our external policy and our military policy, with a view to re-examining Canada's membership in all those alliances, of which NATO and NORAD. We then even looked into both possibilities, of being completely neutral or multiplying our alliances. This study was sincere and lasted quite a while; a large number of citizens and parliamentarians took part in it. At that time, we decided to confirm our ties with NORAD and NATO, and we have not changed our mind since then.

* * *

[*English*]

EXTERNAL AFFAIRS

AFGHANISTAN—MINISTER'S STATEMENT ON CANADIAN POLICY

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is for the Prime Minister. In rationalizing the statement by the Secretary of State for External Affairs regarding the policy of Canada in Afghanistan, the Prime Minister stated that the minister's concern was that two years ago the United States should have taken action. Is the Prime Minister suggesting that there was a difference in policy in this regard and that two years ago Canada suggested that action be taken and the United States disagreed? Or, if the minister is criticizing the United States, did Canada take such action or express such concern two years ago?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member will refer to the remarks of the minister, he will see that, as I told the hon. member for Kingston and The Islands, he is not attacking the United States in any particular way. Rather, the minister is saying that the west in general was at fault in not sensing the problem arising two years ago. Also, because the United States exercises leadership in the western alliance, the minister was saying "and especially the United States". The minister was referring to the entire west, and we consider ourselves a western power. The minister, in hindsight, was regretting that we had not reacted then.

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INDUSTRY

NOVA SCOTIA—POSSIBLE EXPANSION OF MICHELIN TIRE—OPPORTUNITY TO MAKE REPRESENTATIONS

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, unfortunately my question is directed to the Minister of Regional Economic Expansion, to whom I gave notice last week. Since he is not here, I would like to direct my first question to the Prime Minister. I appreciate that the Prime Minister will not have all the facts as would the Minister of Regional Economic Expansion.

In view of the meeting which the Minister of Regional Economic Expansion had with the Minister of Labour, some of the perennial corporate competitors of Michelin and certain labour officials a week ago today, which was called because of protests against any further expansion of industry in Nova Scotia through another Michelin plant, particularly with DREE money, can the Prime Minister assure the House that he will talk to his minister and that those in favour of DREE application, assuming there is still a DREE policy, will have an equal opportunity to make representations to the minister?

Would the Prime Minister also point out to the House and the country, especially Ontario, that the contemplated production of any increased plant is primarily for export and that, in view of the success of Michelin tires, such tire plant will be built elsewhere in the world—most likely the southern United States—if it does not come to Canada, albeit Nova Scotia?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker. I am not versed in the details of this particular presentation. It would seem to me that the hon. member has summed it quite thoroughly. I am informed that the government has already heard representations that they are now being considered, and an answer will be forthcoming as soon as possible.

Mr. Nowlan: Madam Speaker, my supplementary question is to the Minister of Labour. In view of the surprising and, to me, deplorable appearance of the president of the Nova Scotia Federation of Labour with a group which was lobbying against the expansion of industry and jobs in Nova Scotia, would the minister advise this House if he shares the views of the president of the Nova Scotia Federation of Labour that another Michelin plant in that province would be against the interests of Nova Scotia and against the job opportunities of the working man of Nova Scotia?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, obviously I do not share the views of the president of the Nova Scotia Federation of Labour in that regard. I am not sure, though, that his views go quite that far. He has expressed some concern about the labour laws of Nova Scotia, but I felt that after our meeting along with the minister of DREE during

which we exchanged our views, perhaps the president of the Nova Scotia Federation of Labour was to a greater degree able to realize that there would be great benefits to the Annapolis Valley in western Nova Scotia, and to Canada as a whole, if that project were to go ahead.

* * *

CANADA LABOUR CODE

REFERENCING OF ONTARIO LEGISLATION—PROTECTION OF URANIUM MINERS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is to the Minister of State for Mines. I would briefly like to congratulate the minister on her appointment. My question is with respect to the protection now afforded uranium miners in Ontario. In view of the minister's statement in Elliot Lake last Friday, as it is reported in *The Globe and Mail* of Saturday, with respect to last week's order in council referencing Ontario's occupational health and safety act and regulations under the Canada Labour Code, that "exactly the same thing" had been done with health and safety legislation in Saskatchewan, "and there have been no problems" and in view of statements by United Steel Workers of America representatives to the contrary, does the minister agree that this recent referencing will provide the uranium miners of Ontario the protection which both the minister and the Minister of Labour have pledged and that the referenced order in council and Ontario regulations will, in law, take precedence over the other weaker provisions of the Canada Labour Code?

Hon. Judy Erola (Minister of State, Mines): Madam Speaker, I thank the hon. member for his question. The Minister of Labour and I worked long and hard to ensure that bill 70 was referenced into the Canada Labour Code. I can assure the hon. member that it is the advice of several people, including the Solicitor General, that once bill 70 is incorporated into the Canadian Labour Code, it becomes a part of the CLC and, therefore, federal legislation. I foresee no problems.

Mr. Kristiansen: Madam Speaker, my supplementary question is to the Minister of Labour. Given the Saskatchewan case in which federal labour officials, AECB officials and justice officials have held up for almost a year, on a jurisdictional point, an attempt to prosecute Eldorado Nuclear for conditions which led to the death of a miner, can the minister state clearly and in unequivocal terms whether the order in council making bill 70 part of the Canada Labour Code does take precedence over the provision in section 4 of the Canada Labour Code and, in the minister's words, whether the protective measures now afforded Ontario uranium miners via the order in council route "are as high as they would be under provincial jurisdiction"?

• (1450)

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his question on a very important subject. I would agree with the remarks made by my colleague to the effect that this protection is indeed provided.

The Saskatchewan case, to which the hon. member refers, had particular circumstances, and it was not a jurisdictional problem that delayed that case. The time restrictions of the question period do not allow me to explain that in detail. However, I would be happy to explain outside the chamber if the hon. member so desires.

Let me assure him that the referencing of bill 70 of the Ontario legislature is a step that was asked for by the unions involved after they became satisfied that there were delays and difficulties in trying to get a parallel set of federal regulations. That is the course of action that we would have originally taken, and it is the course of action that we have now taken. Any other course of action to give long-term, better protection would be a lengthy process. However, I want to say that if any of the companies were to see fit to challenge the validity and the force of these provisions, then I would be prepared to bring in very strong legislation indeed.

INQUIRY WHETHER ADVICE OF SOLICITOR GENERAL IN WRITTEN FORM

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my supplementary question is to the Minister of State for Mines. I believe in her answer she indicated that advice had been received from the Solicitor General in this matter. Would the minister confirm whether that was the case. If so, would she tell us why the Solicitor General was involved, and further would she advise the House whether that advice was in written form?

Hon. Judy Erola (Minister of State, Mines): No, Madam Speaker. It was a short conversation that I had with the Solicitor General because the subject was brought up to me by the hon. member who requested the information earlier. I asked the Solicitor General if indeed the legislation was valid, and he assured me that it was and that there was precedent involved in this area.

Mr. Clark: Madam Speaker, I have one supplementary that perhaps I should direct to the Prime Minister. Is it now the Solicitor General or the Minister of Justice and Attorney General of Canada who gives legal advice to ministers on which action is taken?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in the absence of the Minister of Justice, the acting minister gives advice on his behalf.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, so we are clear about this, the advice given to the minister of mines by the Solicitor General, presumably after consultation with the law officers of the Crown, was given in his capacity as acting minister of justice and acting attorney general; is that the case?

Mr. Trudeau: Madam Speaker, I do not know exactly what the terms of the advice were. The Solicitor General is the acting minister of justice, and it was natural for the minister to address herself to him as she would to any other colleague who was acting minister.

* * *

GRAIN

TWO-PRICE WHEAT—REIMBURSEMENT OF PRODUCERS

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the minister responsible for the Canadian Wheat Board—

An hon. Member: Who is that?

Mr. Gustafson: —with regard to the domestic price as of February 1, 1980. The answer that came to my desk this morning reads as follows:

There is therefore no plan to reimburse producers for their costs—

On Friday this announcement was made:

Agriculture Minister Eugene Whelan today announced that a cheque for $5 million has been sent to Quebec—

Further on in this announcement are the following words:

Under the Quebec program, the federal government is providing $33.5 million over a five-year period—

This is for freight on grain from the prairie provinces.

In view of what the Prime Minister had to say in the Speech from the Throne, and in the interests of fair play, can the minister tell the people of western Canada, and the farmers in particular, how he can justify, on the one hand, turning down $25 million that came out of the farmers' pockets and paying out $33 million that comes directly out of the treasury? Would he reconsider his decision, please.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is not a question, it is a debate, obviously.

Some hon. Members: Oh, oh!

Mr. Pepin: I can only confirm what my hon. friend says that for a period of time the international price for wheat was higher than the maximum of the policy. Consequently, for a period of time western farmers lost a fair amount of money. I can confirm that. This is the reason why the new policy on two-price wheat for domestic use has raised the lower price to $5 and the upper price to $7 a bushel.

Mr. Nielsen: At least you are trying to answer now.

Mr. Gustafson: Madam Speaker, is the minister aware that it was only eight months ago that the situation was reversed, and in this time of high costs, would he reconsider?

Madam Speaker: Order, please. Would the hon. member simply put a question and not argue, please.

An hon. Member: It is a preamble.

Mr. Gustafson: My question is simply this, Madam Speaker. Does the minister consider it fair, and would he reconsider in this time of drought and high costs?

Mr. Pepin: The decision on that subject has been made, Madam Speaker.

REIMBURSEMENT OF PRODUCERS FOR LOSS OF INCOME FROM DEPRESSED PRICES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Prime Minister. Since the grain embargo has not been punitive to the Soviet Union but only punitive to Canadian farmers, because of depressed grain prices, and since the drought situation in the west is increasing the economic insecurity for many prairie farmers, will the Prime Minister fulfil his promise to reimburse grain producers for their loss of income so that some extra cash can be injected into the drought-ridden farm economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would want to disagree with the premise of the question stated by the hon. member that the embargo is not being effective. I can assure him that our information is that it is being effective.

As to the rest of the question, the matter is being considered, Madam Speaker.

Mr. Hovdebo: Madam Speaker, my supplementary question is for the Minister of Transport who is sometimes responsible for the Wheat Board. Economic security is an important factor when the farmer is facing the effects of a debilitating drought. Since higher initial grain prices will not be a subsidy but only an evening out of cash flow for farmers, will the minister do what he can to have the initial price of grains maintained at its present level rather than dropped 50 cents per bushel on July 30, as previously annouced?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is difficult to answer because some weeks ago I was asked to intercede to ensure that the Minister of State for the Canadian Wheat Board would increase the hike of the initial prices. If I understand the question now, they do not want the prices to be lowered.

Mr. Epp: No, we do not want them lowered.

Some hon. Members: Oh, oh!

Mr. Pepin: The minister in charge of the Wheat Board promised at the time he made the announcement on the initial prices that he would review them before the crop year, which is August 1.

PUBLIC SERVICE

SETTLEMENT WITH CUPW—COST TO TREASURY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. Now that there has been a very heavy favourable ratification vote for the CUPW settlement that Treasury Board entered into with CUPW on May 23, would the President of the Treasury Board indicate what the extra cost will be to the federal government treasury as a result of this CUPW settlement?

Mr. Crosbie: Come on, "Dapper Don".

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as I indicated to the hon. member last week, the contract has not yet been ratified by Treasury Board. When it is, I will feel free to release full details obviously at that time. But I would like to take the opportunity of pointing out what a fine job my colleague, the Postmaster General, did in negotiating this contract.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Good old Ouellet.

Mr. Johnston: I would also add in that context, in setting a number of important precedents, it is the first time, I understand, that the majority decision of a conciliation board has not been accepted by this government through four hard days of negotiations for which I believe he deserves a great deal of credit.

● (1500)

Mr. Stevens: Madam Speaker, I wonder if the President of the Treasury Board could clarify why, if Treasury Board has not ratified the terms of the agreement, Mr. Parrot sent out a brochure to all of his members in which he enclosed a copy of the Treasury Board and Canadian Union of Postal Workers agreement signed on May 23, 1980, for the Treasury Board and the Canadian Union of Postal Workers.

Mr. Johnston: Madam Speaker, I would have thought that the hon. member, being my predecessor in office, would be aware of the procedures of contract ratification. I think that question should be more appropriately addressed to Mr. Parrot.

* * *

CANADIAN PACIFIC RAILWAY

WINNIPEG—GOVERNMENT FUNDING OF OVERPASS

Hon. Jake Epp (Provencher): Madam Speaker, my question is supplementary to those asked by the hon. member for Winnipeg-Assiniboine of the Minister of Transport with regard to announcements made on Friday in Winnipeg regarding rail relocation and the Sherbrook Street overpass. Has the minister now said in the House today that the federal government will be helping in the funding of the Sherbrook Street

overpass, that they will also be including in those costs the additional cost due to the two-year delay and, if the overpass will be built, that rail relocation at the CPR yards is a dead issue in Winnipeg?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker. The offer that the Department of Transport made to the province of Manitoba for the use of UTAP money—the urban transport assistance program—still stands. No mention has been made of paying for the delay suffered by the city in having to undertake a study. They would have had to make it anyway. What is new since Friday is that an offer has been made to the province of Manitoba wider than the particular envelope that we have been talking about up until now. Presumably the province and the municipality will want to think about it before committing themselves either to agree, hopefully, or disagree with the new offer that has been made.

Mr. Epp: Which program?

Mr. Pepin: We will find out when the minister who made the offer returns.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

First report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Robinson (Etobicoke-Lakeshore).

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

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EMPLOYMENT

PROGRAMS TO PROVIDE JOB OPPORTUNITIES

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I rise today to inform hon. members of the programs the government is putting into place to deal with the immediate employment needs of Canadians, and to discuss briefly employment development in the 1980s.

Canada is, above all, a land of contrasts. In some areas, such as those relating to our ethnic roots and traditions, diversity is a source of national strength. This is not the case with the diversities in our economic well-being. The existence of groups of Canadians who are continually frustrated in their yearning to participate fully in the economic life of Canada is a condition that weakens us as a nation.

In designing our employment program, we looked first at the principles that would provide the basis for specific initia-

tives. The first of these principles is the principle of targeting, or reaching out directly to those who traditionally receive little or no benefit from the economic growth of the country.

Native people, even in the very wealthy province of Alberta, face unemployment rates of approximately 75 per cent, and this situation is even more critical for native women. Handicapped people everywhere face not only the challenge of overcoming their disability, but also must contend with the invisible barriers of prejudice and ignorance that bar their entry into the labour force. Women, and particularly those who have worked tirelessly in their homes to raise families, are told that they are not wanted in the paid labour force. Whatever else we do to ensure that all Canadians enjoy rising levels of real income, we must give special assistance to such people as I have mentioned.

The second principle upon which today's measures are based is the recognition that employment must have continuing and genuine value. It should offer an unemployed worker hope for the future, and contribute to his or her sense of self-worth. In the programs we are announcing today we are including criteria that will channel funds towards projects that will make a sustaining contribution to the Canadian economy and will be consistent with our national objectives and priorities.

The third principle reflected in these measures is recognition of the need to have the particular mix of employment measures tailored to regional needs. By this I refer not only to employment disparities or the fact that there are shortages of skilled workers in certain industries and regions, but also to the differing capabilities of regions to cope with problems in their respective labour markets. I have already begun consultations with my provincial counterparts to identify each region's needs, and these consultations are being carried out on an ongoing basis by our respective officials.

With these principles in mind, I am announcing the following programs relating to job creation and training:

First, we are introducing four specific job creation programs to meet special employment needs. The first is Canada community development projects. A major new program is being implemented to further national and regional priorities in such areas as fisheries enhancement, energy conservation, tourism development, and community restoration. In addition to providing valuable work, this program will contribute to the development of an expanded employment base. More than $100 million will be committed across Canada to such projects this winter and next year, with special emphasis in areas of high unemployment. This program also gives us the flexibility to respond to emerging employment problems caused by industrial dislocation, or major emergencies such as the fires and drought in western Canada.

Second, we are introducing a new technology employment program. This program is designed to assist men and women trained in technical and scientific areas to make full use of their skills in support of research and development. Funded at $7 million in the year 1980-81, this program will provide subsidies to firms and non-profit institutions that hire unemployed or under-employed post-secondary graduates to work in research and development activities. This will help to promote innovations in manufacturing and the application of conservation and alternative energy techniques and programs across Canada.

Further, we will have a program called local economic development assistance. While the Canada community development projects are short term, it is our intention to increase the capacity of communities to meet long-term employment objectives. We will, as appropriate, use these funds for long-term employment development, through this new experimental program, as well as use existing programs such as LEAP.

The LEDA program is a new initiative aimed at providing selected communities with the means to develop comprehensive employment development strategies through non-profit community corporations established in each of these communities. LEDA will accelerate the process of economic development in these communities, first by us applying front-end money to develop appraisals, marketing and forecasts, and then provide short-term investments for equity investments in new businesses and small businesses. This is particularly appropriate for small towns and communities that want to establish a new economic base.

Funded at $3 million in 1980-81, it is intended as an experimental program and as a complement to other business development programs. Our target is to have a number of these pilot projects across Canada started in the summer and fall of this year.

Fourth, we have a community services program. This is a new program which will enable the federal government to enter into new partnership arrangements with non-profit voluntary agencies. The program will provide jobs for unemployed men and women and will, at the same time, increase, improve, and make innovations in urgently needed social and cultural services.

A major innovation of the community services program is that funding will be provided for up to three years on a diminishing share basis. Ongoing service activities will be funded, as demonstration projects, only if there is a reasonable expectation that the organizations will, over three years, be able to make other provisions for the costs of services. I expect that many service organizations will wish to use the program to help expand their volunteer base, or to develop fee for service operations, or simply to carry out three-year projects of real value to the community.

● (1510)

The labour market contains many striking and frequently unfair imbalances. In some parts of the country today, and particularly in the resource-rich areas of western Canada, industries have problems finding enough skilled workers in a growing number of occupations, while elsewhere the level of unemployment remains at intolerable levels. The economic potential of our physical resources cannot be fully achieved until we realize the human potential of the Canadian work force and, in particular, of native people and women.

Madam Speaker, in order to begin the process of establishing a balance between labour supply and demand, and to ensure that all Canadians get a fair share of the economic and social benefits of our society, we are taking the following measures.

First, we intend to add an additional $10 million to the amount available for the existing critical trades, skills, and training program. The level of funding will be increased immediately from $20 million to $30 million, an amount constrained only by the capacity of industry to utilize effectively the additional funds during the next 12 months. I am prepared to consider increasing funds for this program still further in subsequent years if industry is prepared to offer the necessary training.

We also intend to provide a special training program for native people. A special allocation of $10 million will be provided for additional training of men and women of native ancestry. The program is designed to enable them to take advantage of employment generated by new resource developments and to move into job opportunities in our urban centres.

We intend to embark on an experimental program called women in non-traditional trades. In order to help open the way for women to enter occupations traditionally dominated by men, $2 million will be provided to cover a wage subsidy of 75 per cent under the Canada Manpower Industrial Training Program to employers who train women in non-traditional occupations. This is a start-up program and, if it proves successful, it will be substantially enhanced in the following year.

Finally, because of the large number of Indo-Chinese refugees who have come to Canada, an additional $7 million will be provided for language training for refugees. This will speed the successful integration of these people into the Canadian labour market.

These initiatives, which provide a good indication of future directions in developing employment opportunities, bring total federal expenditures on training, including income support, to $834 million in 1980-81. A growing share of that training is being provided by industry, on the job site and in the skills that we so badly need.

I should also mention that another program dealing with people who have severe employment disadvantages will be presented at a later date, probably by way of legislation.

I would like to indicate, however, that the proposed program will provide additional help to the same groups of people who will benefit from the measures I announced today as well as to other hard-to-place workers such as former prisoners and individuals with little or no education and those with physical handicaps and learning disabilities. The program will offer incentives so that disadvantaged workers are employed in the private sector. I have reserved $15 million in my budget for that program, one which will be later presented to Parliament.

Madam Speaker, in my capacity as minister responsible for the status of women, I would like to stress that our efforts today are only the first steps of a thorough approach to the problems of women in the labour force. I will soon announce ongoing measures to improve employment opportunities for women, with particular priority to improving the affirmative action program in the public service.

The employment development measures outlined today will themselves have a considerable impact on the employment of women. Community services projects will assist organizations to provide services, such as day care and after-four programs, which are important to many working women and men. The cash incentive for firms to train women in non-traditional jobs is a significant innovation in terms of public policy, in Canada and in the industrial world.

Youth will also significantly benefit from the employment development measures announced today. Both the community services projects and the community development projects will serve to provide young men and women with valuable first-job experience. For young people who are qualified in technical areas, the new technology employment program offers opportunities to use their skills to advance the development and application of new technology. Young men and women under 25 can be expected to make up nearly two-thirds of the participants in our employment programs and training program expansions.

The increases in badly needed training and the new employment programs will cost $137 million in this fiscal year. These programs will be paid for with funds previously intended for tax credits and other funds set aside for programs planned by the previous government.

The measures that I outlined today are in addition to programs already planned for or in operation this fiscal year, such as the extension of the employment tax credit program. I hope members of the opposition will provide us with the co-operation which would facilitate the extension of that program so that both these announcements can go forward at the same time.

An hon. Member: When is it coming?

Mr. Axworthy: The hon. member will have it on his agenda sooner than he expects. Furthermore, this program must be seen in the context of additional programs such as the Summer Youth Employment program, the carry-over of Canada Works and the Local Employment Assistance Program.

In summary, these training and employment measures that I have announced are not the entire solution to our labour market problems. But they are an important beginning. We will focus on the training and employment needs of natives, women, young people, and other groups facing special difficulties in finding and retaining jobs. We will provide extra jobs in areas of high unemployment. We will reorient employment programs to serve key national and regional priorities. These measures represent the start of a new long-term approach to employment generation and national development. They point us in the right direction.

In my opening remarks I referred to the need to use our programs to meet Canada's different regional problems. There

is no group with a better understanding of such conditions than members of Parliament. In our Summer Youth Employment program, the advice and participation of members of this House have added considerably to the success of the program. It is our intention to draw on the intimate knowledge that members of Parliament have of their local areas, particularly for the locally-based Community Development Projects and through the use of local advisory groups which will assist in each constituency in the determination of priorities.

I look forward as well, Madam Speaker, to the results of the Parliamentary Task Force on Critical Skills for the Eighties, under the chairmanship of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). This special committee will provide members of Parliament with an additional opportunity to be involved in the formulation of an employment strategy for the decade we are entering.

Within Employment and Immigration Canada, a special high level task force is being formed to examine the entire spectrum of labour market needs, including training, employment programs, employment services, mobility of workers, and industrial dislocation. I am confident that these special bodies will be productive in their work, and enable Canada to move closer to its potential in the 1980s.

Madam Speaker, may I conclude by reminding this House that these programs represent an important investment in our most priceless asset—individual Canadians. Our free market system, for all its strengths, does not always distribute opportunities equally to our people. We are all diminished when any of our fellow citizens, for whatever reason, do not have the opportunity to develop their talents to full potential and contribute their full energy to the common good.

These programs are not public charity or government bounty. They are an investment which will bear returns beyond those we now devote to resource industries, the manufacturing sector or financial enterprises. They are an investment in our fellow Canadians—our true, genuine undiminished capital for the future.

Some hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Madam Speaker, I would like to thank the Minister of Employment and Immigration (Mr. Axworthy) for providing me with a copy of his statement, his press release, and a background paper. I received this material at noon and have taken the opportunity to read it over and reflect on it before making my response.

I must begin by expressing on behalf of the Conservative party a sense of disappointment, having waited so long for an employment strategy, to find so little that is new, exciting or helpful to Canadians. It is a small program, and the degree to which it tackles the long-term unemployment problems of this country is practically zero.

● (1520)

I point out to the House, for instance, that a one-cent tax on a gallon of gasoline would produce twice as much money for employment creation as the minister has brought forward today. Public policy is always a matter of choice, and the failure of hon. members opposite to take responsible steps such as those the Conservative government was prepared to take in its budget, has strapped them for funds. Many useful social purposes must be overlooked or a band-aid must be put on them because we have a government which will not raise the money that the people of Canada require it to spend.

Unemployment is caused by bad economic decisions. The kind of unemployment which we in Canada experience today is a consequence of many bad economic decisions taken over a long period of time. Those problems affect regions in a broader sense. They affect provinces, and they affect areas within provinces. Quite frankly, I was looking forward today to a series of measures which would get us to the heart of the problems experienced in those parts of this country more than in other parts of this country, and as I look through the documents presented to me by the minister, I cannot find that mentality. I find many words asserting it to be true, but as I look at the detailed specifics of the program, I cannot find it.

In April the Minister of Finance (Mr. MacEachen) raised taxes and virtually ignored the measures in the Crosbie budget of December which would have created more employment in this country. This morning I glanced over that mini budget, and the minister left out eight specific employment creation measures related to the private sector. He chose not to reintroduce them, and we are facing a rather tragic unemployment situation in this country in the future.

How many people will we find in this country who would like to work, who would like to make a contribution to the well-being of this country, but who simply cannot find jobs? I have done a little calculating based on the figures which the government has provided to this House in the last two months, but I think there is general agreement among econometric forecasters that some time in the next two years the measured rate of unemployment in this country will be in the neighbourhood of 9 per cent. We are looking at measured unemployment of something in the neighbourhood of 1,100,000 Canadians. Econometricians will also tell us that as we get an increasing unemployment rate of that kind, then our hidden unemployment rate goes up.

The hidden unemployed are those people who have looked for work for so long that they are discouraged and are no longer looking for work. The best estimate of the number of people in that category at this time is 300,000 people. Then we look at this package of so-called job-creation measures which the minister has laid before the House today. With that package he says he will create something in the neighbourhood of 192,000 jobs in the current fiscal year. That is close to 200,000, and if the minister is correct and those people are working, they will not show up in this 9 per cent. When we add those three numbers, the predicted 9 per cent measured unemployment rate, the hidden unemployed, and those who are sort of tucked away in these subsidized jobs, we come to 1,600,000 Canadians who would like jobs in the real economy but cannot find them because of the economic policies of the government

opposite. That is close to 15 per cent of adult Canadians who would like to make a contribution, and I think that is a crime, a scandal, and something we should not continue to overlook.

I think there are other choices available to the government opposite. Perhaps they are not available to the Minister of Employment and Immigration, but certainly they are to the government.

I would feel much more confortable as a member of this House trying to do my best to act on behalf of the Canadian people if I could see policies coming from the other side of the House which would contribute to the long-range development of this country, such as energy policies which would produce substitution, reopen coal mines in Nova Scotia, and develop the tar sands rather than retard development of the tar sands. When a tar sands plant is built, it takes $7 billion worth of wages and materials to build that mining operation, but at the same time a community must be created out of the bush which will house and service some 20,000 to 25,000 Canadians. In projects of that kind there are real jobs for those who make door knobs, doors, and steps and for those who build the houses and the plants.

I think if we trace back to the beginning of our confederation we will find that in times of trouble it was the job of the federal government to develop the economy on behalf of the people in the provinces, and it is that job which I think has been overlooked in the last decade. Our money should not be going into band-aids. Our money and our efforts should be going toward projects of real and lasting value to this nation.

Seventy thousand homes were supposed to be built in Canada this year, but they will not be built. Seventy thousand homes would create 100,000 jobs and leave 70,000 more housing units when those jobs are over. Some kind of subsidy program, in the face of high interest rates, would have produced those additional 70,000 homes, and in that way I think the money might have been better spent.

The program which was announced today is really an exercise in public relations which will not bear close scrutiny and examination. It is full of sympathetic words for the unemployed, but when we look at it closely we see that it reveals a tremendous number of basic inconsistencies. I do not know if that is a problem generated by the minister or a problem generated by his officials, but I would like to go into some of those inconsistencies arising out of the information which was presented to me today.

I think we need to look at the mathematics. First, the local economic development assistance program is going to cost $3 million of that $137 million, and in the minister's own background paper the number of jobs created by the expenditure of $3 million in that category is zero, so we are spending $3 million to create no jobs. In the question period the minister might care to bring us up to date on that.

I asked a question of the minister in the House of Commons a couple of weeks ago about which kinds of philosophy he might favour in the development of this program. The need for that kind of information becomes apparent when we look at the figures provided to us by the minister. In the community services area, if we transpose the figures presented by the minister, the cost to the public treasury for each job created on a 12-month basis would be $22,000. In the new technology area, which is really the only innovation, the cost to the public treasury will be $20,000. Those are the two highest priced job-creation measures: $22,000 a year for one job, or $20,000 in the case of new technology. The lowest cost job-creation measure, according to the minister's own figures, is the employment tax credit. The minister estimates a total cost of $900 to the public treasury for one job created. There is a difference of something in the order of 25 to 1 in terms of the cost of creating new jobs on the one hand with employment tax credits and, on the other hand, with direct job-creation measures.

What about the cost of training? There is quite a bit of information in here about the fact that $834 million will be spent on training. Of that amount, $22 million is an increase; that is a 2.5 per cent increase over the money already allocated by Parliament in the main estimates. It is certainly not a significant amount. There are many, many other examples of flimflam.

• (1530)

I understand that you would like me to wind down as quickly as I can, Madam Speaker, but let me say that we do not have a definition of what a job is. The minister talks about 192,000 jobs. Are those one week jobs, one day jobs, or 12-month jobs? He talks about creating employment in non-traditional training for women and says he will provide 75 per cent of the wage costs for that activity. I would point out that existing programs provide 60 per cent, and in fact if you are handicapped severely they provide 85 per cent. So the program he announced here today is either a little bit of an improvement or a decline from what is available.

There is not really much change in what the minister proposes. He identified 11 programs in his background paper. One of those programs is to create employment for 1,000 people. Only one program is new, the others are a rehash of existing expenditure patterns and existing programs.

When the minister spoke about community development projects he mentioned fisheries, energy conservation, tourism, community restoration, and he went on to say that it might help us fight fire and drought in the west. Surely those are activities normal and natural to governments at both the federal and provincial levels. Are these really job-creation projects, or is this the borrowing of money from other departments to flimflam the Canadian public into believing that there is some kind of clear and consistent job-creation effort coming out of the Department of Employment and Immigration?

The minister spoke about community service program jobs which will be paid for on a declining basis: 100 per cent the first, 66 per cent the second year, 33 per cent the third year and no cost in the fourth. I ask the minister if there is any intention on the part of the Minister of Finance to provide

through the tax system better tax breaks for those who donate money to the private sector social welfare organizations. How can government start something without providing an opportunity for people in a local community to continue to make it grow and develop?

The minister bragged about the fact that in his estimates, without clearcut policy directives, 40 per cent of the jobs in training will go to women. Madam Speaker, around 45 per cent of unemployed people in Canada today are women. This program provides a disproportionate number of jobs to men. If the minister were really doing something to deal with the imbalance, we would find that 50 per cent or 60 per cent of the jobs were going to women. What he is doing is to perpetuate and intensify the disparity which already exists.

In summary, and in the questions which I hope we will be able to ask the minister subsequently, let me come back to the really basic issue, which is: is employment in Canada more likely to be the consequence of a fiscal policy? Are we, as taxpayers, better served when we provide subsidies to the private sector, or are we best served by direct employment-creation programs? I should like to engage in that debate in the context of Bill C-19 when it comes back on our plate. But I think it is impossible to proceed in a coherent fashion without clear answers on the differential costs and benefits from those three mechanisms.

Mr. Neil Young (Beaches): Madam Speaker, I wish to thank the Minister of Employment and Immigration (Mr. Axworthy) for providing me with a copy of his statement earlier today.

To say that the measures being proposed by the minister are disappointing would be to make the understatement of the year. With rare exception, Canada has had the highest number of unemployed workers of the seven major countries in the last ten years. As of April of this year there are officially 937,000 Canadians out of work, or 8.3 per cent of the work force. When the hidden unemployed are taken into account, that figure jumps to an estimated 1,462,000 unemployed Canadians, or 12.4 per cent of the work force.

Unemployment in Canada is a national disgrace, and in the face of that all the government is capable of doing is to bring in programs that are largely cosmetic in their treatment of the most serious problem facing Canada today.

Several weeks ago I had the opportunity to speak in this House on the bill brought forward by the minister to extend the provisions of the Employment Tax Credit Act. At that time I expressed the hope that this government was finally serious about bringing forward measures which would get our country back to work. However, I also said that the record of this government was such that I was not convinced we would see the kind of action required to get the job done. Now that I saw the statement made by the minister today which alleges to deal with "employment development in the 1980s", I am convinced that this government is not serious about our unemployment crisis, or is incapable of coping with it. Rather than bringing in programs to stimulate our economy and providing proposals for long-term job-creation, the Minister of Employment and Immigration is continuing to attack unemployment as if he were Canada's own Don Quixote, and he is doing about as much good.

Of the 14 programs to which the minister has addressed himself in the background papers which accompanied the statement, no less than eight have been in existence for some period of time, and the six new ones merely serve to indicate that the government recognizes there are problem areas within the larger problem of unemployment. These are all short-term and moderate cost programs.

There is not even a mention in this statement of the Liberal party's promise during the election campaign to develop an industrial strategy in Canada. There is no mention of the government's intention to regain control of our economy, either in the short or the long term. In fact there is nothing in this statement which will give Canadians assurances that this government is going to do much of anything to create meaningful long-term employment.

Placing an emphasis on skilled training, as these programs do, without referring to long-term job creation, simply means that somewhere down the road we will end up with an awful lot of unemployed skilled workers. Perhaps from the government's point of view it is preferable to be skilled and unemployed as opposed to being unskilled and unemployed, but this is not a view that our party shares. Rather than these measures providing solutions to unemployment, they tend to raise more questions than they provide answers.

Taking a look at the programs themselves, under the new technology employment program all I can see is that it provides band-aid measures, given that 660 jobs are to be created in 1980-81 and that there are some 2,500 Ph.D.s graduating each year. Under the critical trades skills training program, the government has allocated $30 million which, in my view, is a drop in the bucket when one considers the critical trade skill shortage in Canada. Predetermined labour short trade occupations beg the question: how does the minister define or determine what those are? Under the non-traditional training for women training programs, I should point out to the minister that there are around 393,000 women who are unemployed, and the minister is allocating $2 million to assist these women to enter non-traditional training. At the very least the minister should be embarrassed even to introduce this kind of program to this House for our consideration.

● (1540)

Under the native opportunities training program, again there is not enough money in view of the decision to let the Canada Works program continue as it is now. Canada Works excludes provinces like Manitoba and Saskatchewan where there are pockets of native unemployment ranging from 50 per cent to 90 per cent. Also the focus on major resource areas presents a problem as to what happens when the resource projects are completed, that is, skilled natives versus unskilled natives. Under the community development program, this is intended to work along the same line as Canada Works and

LIP, with the exception of projects to be selected further to establish national and regional priorities.

The short-term results are that there will still be unemployment after the project is completed and there is not much money allocated to those programs. As I suggested, these programs raise more questions than they provide answers. If this government were serious about job creation, either in the short term or in the long term, it would have taken concrete action and accepted responsibility for the social and economic inequities being perpetrated on the Canadian population.

We need more than token gestures. We need to grasp firmly and control our abundant resource benefits. We need greater corporate financial responsibility in Canada. We need the creation of jobs and consequent reduction in unemployment, which should be one of the first priorities of this Parliament. A well-planned program of social reform must be initiated so that poverty can be completely eliminated. Low income and elderly people should be given a shelter allowance, bread and milk subsidies, and a tailor-made consumer price index should be brought down so that we can accurately assess their purchasing patterns.

A cost of living tax credit would help to alleviate the crush created by the drop in real purchasing power of family income. Inequities in income distribution should be attacked by the forms in the income tax, substituting refundable tax credits for some items which are tax deductible. We need to recognize and work toward a common goal, a guaranteed minimum income which would ensure that all members of our society receive a basic share of resources, goods and services as a part of their birthright. If this government were serious about doing something finally about the unemployment crisis in this country today, a crisis which was brought on by this administration over the last 11-year period, those are the kinds of things this government would do, instead of bringing in cosmetic items such as are contained in the program presented today which do nothing but help to cement the cynical attitude that the Canadian people have of this government and which certainly I, as a member of this Parliament, share with them.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Calgary West (Mr. Hawkes). Is it on a question?

Mr. Hawkes: Yes, Madam Speaker. Is it possible to ask more than one?

Madam Speaker: The hon. member can ask one to begin with and we will see how long it lasts.

Mr. Hawkes: I will start with the simple question. In terms of his background paper, could the minister define what a job is?

Mr. Axworthy: Madam Speaker, considering that the hon. member at one time was reputed to be an academic of some note in the definition of work, it strikes me as seemingly odd he would ask a question which he has already defined for himself. It is someone who is gainfully employed.

Mr. Hawkes: Could the minister indicate, whether my interpretation is correct—if somebody is employed on a project for one day or a half day, then that person is presumed to have been given a job by the public? Is that the kind of number we are dealing with in the minister's background paper?

Mr. Axworthy: Madam Speaker, I think the hon. member is deliberately trying to confuse the issue. What we are talking about is that when we put these programs forward, the different organizations such as voluntary organizations, municipalities and others, make applications for projects which we will measure according to their meaningful value. Obviously a job that will last one day would have very little chance of being considered, certainly when one takes into account that we will be asking for assessment and measurement by members of Parliament who we know are always very discerning in their judgment and attitude.

Mr. Hawkes: Dealing with the 192,000 jobs the minister is asserting he is creating, if we were to use a different definition of 52 weeks of work, then we might be dealing with the public sector creating something like 30,000 or 40,000 jobs. Does the minister have an estimate of the more normal meaning of the word "job" where they last for a fiscal year?

Mr. Axworthy: Madam Speaker, there is nothing that requires us to define a job as lasting a year. A job is when one is making an income for the work one is doing. We have estimated in the extension of the programs we have announced today, combined with those that will be brought about as a consequence of the employment tax credit, that we will be creating opportunities for well over 80,000 participants, whether they last nine months or a year. In some cases they will last beyond a year because we have said very clearly in these programs that under the community development projects, the community services program and others, they can last a year, 18 months, or three years. So, what we might lose on the nine-month end of it, we will pick up on the other end of it.

I do not want to tell the member something I assume he knows from his own background, but I think in any labour force people are constantly changing jobs and coming in and out of the work force. However, we are defining a series of work opportunities and training opportunities that are well defined by the sponsors of these or by the agencies that put them forward which would provide work particularly in those areas where work is most needed in the high unemployment areas that sometimes may last nine months or 15 months. We will be measuring and assessing those projects on their merits.

Employment Strategy

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I note with interest that the minister is now restricted by the envelope system in the amount of funds he can use. In the opening paragraphs he mentioned that the aim of this program is for fishing enhancement. I should like to ask the minister how much money was taken from the salmon enhancement program and applied to this program for the fishing enhancement part of it?

Mr. Axworthy: Madam Speaker, I should like to make one small correction in the statement of the hon. member. We were not limited so much by the envelope system but by the niggardly estimates that were put in by the previous government for job creation. That is what we were limited by.

Some hon. Members: Hear, hear!

Mr. Axworthy: One thing which gave me frustration when I took on this portfolio was to realize the previous government had totally wiped out all the direct job-creation programs, so that applying employment opportunities in those areas where they were most severely needed, or to the groups that most needed it, was not possible because they were going to employ exclusively the tax credit system. According to my figures, for example, some 60 per cent to 70 per cent of the job credit programs do not go into the high unemployment areas. So, what we were basically limited in is the very poor judgment and poor choice of the previous government. We have attempted in our best efforts to try to improve that in the time we have had. If we had not done this now, there would have been a total vacuum in job creation in this country for the next six months and thereby there would have been very major problems created.

But I can assure the hon. member that we did not take any money from his salmon enhancement program. I have discussed with the Minister of Fisheries and Oceans (Mr. LeBlanc) that if a department such as his wished to put up capital works or capital money of that kind, then we would add to it the employment money so that major fish enhancement programs could take place. I think that is something which would be determined and blueprinted in each local region. We will be establishing a very strong area of autonomy for each of our regional officers to consult with the provinces and the private sector in each of the provinces to tailormake a job-training program which best suits their area. In those cases other federal departments could come in and add capital moneys to provide for a supplement so that we can undertake larger projects.

● (1550)

Mr. Friesen: I am glad I had such a short question. Since the minister says he is taking nothing from the salmon enhancement program for the fisheries enhancement, I will be looking to the future to see whether the Minister of Fisheries and Oceans (Mr. LeBlanc) will be discussing the amount he is spending on the salmon enhancement program and allowing the Minister of Manpower and Immigration (Mr. Axworthy) to make up for his shortfall.

I should like to ask the minister about what I believe is called the new critical trades training program, or an appellation such as that. That is a good bureaucratic word; in street language it is called an apprenticeship training program. Could I have a short answer to that?

Mr. Axworthy: Madam Speaker, in each of the provinces there are a number of ways the provincial governments organize the training of skilled workers. What we attempt to provide through our critical skills program is ways of paying allowances and ways of helping them pay for those programs. In some cases it is applied to apprenticeship programs; in other cases it is applied directly to the employer to provide on-the-job training on the factory site. It has flexibility in its application. That is why we do not try to restrict it to one use or the other.

Mr. Young: Madam Speaker, in his statement the minister said he wants to aid target groups, and specifically he talked about the critical skill shortage in Canada. I have had some considerable experience in that particular area through the community college structure in Ontario. As a result of that experience I know personally that most employers have extreme difficulty in identifying the groups that the minister is attempting to identify. Could the minister advise the House what procedures or mechanisms he plans to use to do the kind of thing that employers seem incapable of doing?

Mr. Axworthy: Madam Speaker, I do not share the low regard for employers that the hon. member has. For the last two or three months I have been meeting with a variety of employment groups, both in the trade unions and in the products sector, and we have discussed the variety of skill shortages that they encounter. They know very well exactly what kinds of shortages they have. You only have to go onto the shop floor to know who they cannot employ. If it is a problem for those associated with the community colleges to identify that need, maybe that is one reason why we have difficulty, that those in the operation of educational institutions have not been communicating well enough with those actually working on the shop floor to identify what those needs are.

I can assure the hon. member that with the means we have available we put together a major catalogue of those areas where there are shortages, and we are attempting to work with each of the employment occupational groups. I would suggest to the hon. member that if he wants a good overview he should go back to the reports prepared by the previous Liberal government when they established the sector-by-sector approach, under the minister of state for economic development, which established a series of categories of skill needs in this country. I think that has proven to be very accurate forecasting.

Mr. Young: Madam Speaker, I can assure the hon. minister that I have a regard for employers about equal to his own. My comments were based on personal experience with them. The minister identified social services such as day care, crisis

centres, and home care for the elderly, as essential services several years ago, or his ministry did. Would the minister tell the House whether the federal government has a commitment to see that these programs are not just implemented but are guaranteed to be ongoing? Are there any guarantees that after the programs have been completed they are not going to be left in the lurch and that there will be some federal moneys available, or will they be into short-term programs? What does the minister plan to do to make sure that those programs will be ongoing and will prove to be worth while? Could the minister give us some information in this respect?

Mr. Axworthy: Madam Speaker, I will be very pleased to answer the hon. member's question as I think it is an important one. We were approached by a number of organizations, particularly those representing women, which indicated that one of the real problems in developing proper opportunities for employment of women in this country was a lack of support services such as child care, lunch and after-school programs, and various other forms of support services in the community. What had happened in the last two or three years, because of a kind of neo-Conservative philosophy bandied about or displayed by too many provincial governments and municipal governments, was that those services were the first to be cut and were in short supply. We feel that through this kind of program we will be able to assist such groups to regenerate those kinds of programs. We made it very clear to them that we could not usurp the jurisdictional responsibility of provinces for ongoing services.

This program is designed to provide an extra boost for groups and organizations in the non-profit, volunteer sector to start new programs which would help them to strengthen their organizations. For example, if a group or organization in the child care field wanted to develop a new volunteer base for its program, or fund raising for its program, this program is designed to do that. As we pointed out in our statement, we have extended it over a three-year period. We would measure and judge the program on grounds which would either indicate it would terminate after those three years or provide ongoing support beyond that.

We are doing it on a trial basis to see if it will work. What we think is critical is that we provide employment opportunities in that field and at the same time provide the service that will enable other people to become employed.

Mr. Young: Past experience has shown, Madam Speaker, that once those programs have run their course and have proved to be useful to the community and the groups they were designed to assist, the funding has dried up, even though the need continues. The groups have been spending around 90 per cent of the staff's time and energy on fund-raising activities and the other volunteer services have been getting about 10 per cent.

Has the minister any specific plan to provide that once the funding has terminated this undesirable situation will not occur again, that there will be continued funding where these programs have proven successful to the community and the user groups?

Mr. Axworthy: Madam Speaker, perhaps I can explain it to the hon. member this way, that the ongoing support for the social services communities must come basically from the provinces. As he well knows, at the present moment the federal government pays 50 per cent of most of the costs of CAP. Those programs will be renegotiated and discussed with the provinces as the agreements are put in place. We are not trying to displace that major, ongoing social service funding arrangement between the provinces and the federal government with this program.

What we are trying to provide are supplementary programs to enable community non-profit groups to engage in extra activities that they would not otherwise be able to afford. For example, some people I spoke to this weekend who are in the child care field said their workers are so busy trying to provide the basic services that they do not have time to extend any additional services in the community, to measure needs, to do fund raising, to strengthen their base, or to develop the parental, volunteer side of their organization. Under this kind of program they would have the means to strengthen their organization under well-defined program objectives.

We are not only attempting to provide employment opportunities, particularly for women who will be working in this field. These are the areas that were cut out by the previous government through Canada Works programs and by municipal and provincial governments. It will enable those existing organizations to provide for extra activities, and demonstration projects or innovative projects that they could test themselves, or to provide supplementary activity. That is the reason we are putting this program into effect—to provide employment and to help those organizations strengthen their activity.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have two questions, but I shall ask both at the same time. If the minister considers the over-all economic conditions in the country he will surely realize that in the auto industry, the farm implement industry, the housing industry, the steel industry, the retailing industry in general, the construction industry in general, and in the mining industry, there are massive employment cutbacks. Many people are being laid off in all those industries. Keeping that in mind, looking at the programs which the minister has brought in, and if we were in a period of full employment with many employment opportunities, and since this matter deals with a peripheral unemployment group, then I would say that this program is not bad.

• (1600)

Keeping in mind that we face massive unemployment and that we are following the economy of the United States into a further downturn, can the minister tell us exactly what programs such as these will do for people who are now becoming unemployed and who face the prospect of long-term unemployment because their jobs are disappearing due to the major downturn of the economies of the North American continent?

Can the minister specifically address himself to the matter of women in non-traditional trades where allowing $2 million to the extent of funding to 75 per cent of the total cost means 280 jobs at $10,000 a year per person. What in heaven's name is this supposed to do for unemployment?

Madam Speaker: I am glad that the hon. member decided to ask his two questions at once. I would ask the hon. member not to make a speech and be brief in his questions. We do not wish to spend too much time on this matter, although I know that there are other hon. members who wish to ask questions of the minister.

Mr. Axworthy: Madam Speaker, I think that the hon. member asked four questions and made five statements, not just two questions. However, the hon. member asked a very legitimate question. I am sure that everyone in this House would agree that major changes are taking place in the economic and industrial structure of North America. The problem will not be solved in a matter of two or three months.

As I said in my statement, this is why we have introduced a parliamentary committee, under the chairmanship of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), so that all members may join in public consultation over the next two months or three months with all the people in the country who are affected, to make their representations and concerns known. At the same time I have established within my department a major task force staffed by people from throughout the public service to begin working at the long-term public requirements in Canada in the 1980s. This task force will be chaired by the deputy minister.

As a result of those two major initiatives, I hope to be able to come to this House by the end of next year, in either October, November or December, with a major paper which will outline the employment requirements, what the public sector should be doing and what the private sector should be doing. This paper will also give an indication of our future direction based on those two initiatives. I agree with the hon. member that we must take a look at these matters.

In the meantime, the hon. member should not judge these particular programs as the government's only answer. As I said in my statement, the government is spending over $800 million this year in training programs. What I did was that I put more money into that fund. Over 250,000 people are being trained at the moment in this country with the support of the government. It seems that the hon. members ignore this obvious fact, that the government has a number of initiatives already in place.

What the government has tried to do with this program is to add to and supplement the other programs to fill in some of the vacuum areas, mainly in the area of direct job-creation programs. The government is fully aware of and sensitive to the needs, and it is trying to respond. As a responsible government should do, it is consulting first with those who are affected, looking at and reviewing its own programs, and, in the six fiscal months remaining in this year, it is using all the available resources to apply to the hardest core problems, the special target needs in our society.

We must remember that what this program is doing is not with regard to a full year's financing. The cabinet was formed on March 4. There are only six months remaining in this fiscal year, and those are the months in which the $137 million will be applied. We cannot measure, as did the hon. member for Calgary West (Mr. Hawkes), on the basis of a full year. What we are trying to do is correct the mistakes of the Conservative government.

Madam Speaker: Order. I have a list of the hon. members who have risen. I will allow only one question each. The list includes the hon. member for Notre-Dame-de-Grâce, the hon. member for Ottawa-Vanier (Mr. Gauthier), the hon. member for Don Valley West (Mr. Bosley), the hon. member for Nepean-Carleton (Mr. Baker), the hon. member for Calgary East (Mr. Kushner), the hon. member for Burnaby (Mr. Robinson), and the hon. member for Churchill (Mr. Murphy). The hon. members may not be called in that order to ask their questions. I would ask all hon. members to state their questions carefully and briefly. Each questioner will be allowed only one question, otherwise we will be here until five o'clock.

Mr. McDermid: Madam Speaker, I have a point of order. I have been on my feet from the beginning, and I did not hear my riding called out as one on the list. I hope that you will include me.

Madam Speaker: That is true. The hon. member is on the list. There is another piece of paper here.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a few very specific questions for the minister.

An hon. Member: One question.

Mr. Allmand: It is one question, and I will get on with it. I believe that the minister mentioned in his statement that constituency advisory groups will be reintroduced. I would like to know whether those constituency advisory groups which, by the way, were abolished by the previous government last year, when it did away with the entire Canada Works program for the west end of Montreal, will apply to all the community programs, will the money be allocated on a constituency basis, and will there be a minimum amount of money for each constituency, which was not the case under the Conservative program.

Mr. Axworthy: Madam Speaker, I thank the hon. member for his very pertinent question. I would like to answer yes to all three of his questions: Yes, the money will be allocated right across Canada, one region will not be selected over another, and there will be a basic constituency allocation for every constituency. There will be factors built in with regard to those areas of high unemployment, and those areas which have special needs such as native organizations will get a larger amount for distribution. Each constituency will have a basic

amount for its community development program. The constituency advisory groups that we established are being designed to enable a full and accurate reading of the real priorities in those areas. This reading will be provided through the person who is perhaps in the best position to judge, the member of Parliament.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the minister in his statement indicated that while governments can move in these areas, there is a limit to what they can do, and that government efforts by themselves are not sufficient. What is required is a sound economic program to involve the private sector in job creation, co-operation between the provinces, and a whole host of other requirements. I am sure that one of the things which the minister would have in mind to assist what he has indicated is only a stop-gap measure to augment a program that is in existence now, would be some basis upon which he and we, as members of Parliament, and the public that we represent could understand the economic plan and economic direction of the government.

The minister must be as confused as everyone else with regard to the statements made by the deputy minister of finance in the Senate the other day and the statements made by the Minister of Finance (Mr. MacEachen) in the House about whether we will allow the deficit to grow or to decrease. It is a confusing situation not only to employers but to everyone else.

Would the minister, given the importance of a sound base upon which any employment program can be built, call upon the Minister of Finance to end the uncertainty by bringing forth a plan of action and a budget so that the minister and other ministers will finally have some sense of direction as to where this country will go, and so that there can be real fight against unemployment in this country?

Mr. Axworthy: Madam Speaker, I would want to say to the hon. member that it depends on which side of the House one is on as to how one hears things. I am most impressed by the clarity and logic of the Minister of Finance in presenting the economic position of this government. By comparison to the statement made by the hon. member for St. John's West (Mr. Crosbie), when he predicted in his budget speech last December, that an additional 200,000 people in the country would be employed, the statements made by the Minister of Finance are exemplary.

Mr. John Bosley (Don Valley West): Madam Speaker, my question will take some leading into, but I will be brief. The minister has indicated to the House that he has done nothing but shuffle old money into new programs. He seems to ignore the fact that the government is borrowing $3 billion more than the Conservative government intended to borrow, which suggests that the minister has lost the fight for more money for more programs. That is the first point, and it is indicative.

My second point before I lead into the question is that the government in its previous incarnation as a government promised the Canadian people support for urban transit. It boot-legged that in later on top of the program which was used to help solve the problem of railways at overcrossings, and called it the urban transit program. Today the minister indicated, after releasing the press release, that the major component of the program, the $100 million—which he indicates is no more money to be redistributed than there was in the beginning—will also be used for industrial relocation relief and for help in drought situations.

● (1610)

Is the minister, in fact, not saying to this House that he has lost the fight for more money for job creation? Second, has he already had to concede that some of those funds should be stripped from job creation for local salvation problems where they exist and are in real need, that those funds are going to be stripped from job creation programs so that in fact under this program we are going to wind up with substantially less money in direct job creation than would have been true?

Mr. Axworthy: Madam Speaker, I find that a very surprising question. When I became the minister of this department there was no money for direct job creation. The Tories had stripped the funds totally from the estimates. There was not a cent left for direct job creation.

What we have tried to do is to restore the concept of direct job creation so that we can target in on very specific areas of unemployment because there was no money left in the budget by the previous administration to do that. It had decided, I guess for philosophical reasons which I accept, that the only means of creating jobs would be through the tax credit system. What was very clear in our measurement, that while the tax credit system has utility in some areas, and has been an effective program in part, it cannot be used to target in on the special problems of women, or of natives or the problems of high unemployment areas. The tax credit system is not employed, for example, in areas where there is unemployment over 11 per cent or 12 per cent, where there is not a small business component to take advantage of it. He says shuffle the money around. It is not so easy to shuffle the money around when the money is not there to begin with. What we had to do is restore direct expenditures of the government in the job-creation field because those direct expenditures had been removed.

I would say to the hon. member that I do not agree that calling a necessity to respond to problems of reforestation, for example, in northern forests or on the prairie regions, is just simply a make-work project. There are major economic problems in those areas. I think nothing could be more useful than for this government to assist, whether it be in Windsor or in northern Manitoba, those Canadians to get back on their feet and start recreating an economic base. That goes back to the original principle of our statement: do we want to create work that serves more useful, meaningful job opportunities and national objectives? That is what we are trying to do. We are trying to twin those two objectives so that we get more "bang for the buck".

Employment Strategy

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have a question for the minister regarding the programs, particularly those directed toward women, at least that is the suggestion in the statement. There has been a good deal of rhetoric expressed in recent months concerning the role of women. Certainly in the Speech from the Throne there were some welcome initiatives that were proposed. However, I would suggest that the amount of $2 million which is allocated in this particular program is really an insult to Canadian women, and what we should be looking at is a far greater amount in direct funding rather than essentially a bribery of the corporate sector to the tune of 75 per cent of the cost of the jobs.

I ask the minister to indicate in this area, partly as the minister responsible for the status of women, now that he has finally had a chance to put his rhetoric into action, whether this is the best that he can come up with. First will he not make a commitment to this House to restore the funding to Outreach programs which was slashed by the previous Liberal government? Second, will he not make a commitment to make direct funding for child care facilities, instead of hoping that some of the other funding which he has proposed will trickle down to the child care area? One of the ways in which women can be encouraged to enter the labour market is by adequate child care being available. Will the minister ensure that there will be substantially increased funding for child care?

Third, will the minister assure us that there will be tough affirmative action taken in the public sector to lead the way in this important area, rather than just making a suggestion that $2 million, which is really a slap in the face to Canadian women, is adequate to deal with the serious problems facing women in this time of difficult unemployment for all Canadians?

Mr. Axworthy: Madam Speaker, it is sometimes unfortunate that certain members of this House are so eager and active in trying to engage in their own rhetoric that they refuse to see the real value when certain initiatives are being taken.

I feel that it is too bad that the hon. member would be so anxious to condemn what is basically an important issue that has been discussed with a number of womens' organizations across this country. I would say to hon. members that, in discussing the problem with a group called women in trades, for example, the fundamental problem that they faced after they had acquired certain skills in the workplace was providing an opportunity in the private employment sector to gain access into the specific shop.

I am trying to answer the question. If the hon. member does not want to listen, then maybe we should not talk about it. But I want to answer this question as honestly as I can.

When we examined what we could do and discussed it with different groups, they said that it is a starter program. You cannot inject a massive new program with money without seeing if it works. We put the money in. As I said, it is only within the latter six months of this fiscal year. If it proves to be effective, as I said in my statement, we will substantially enhance that program as a way of ensuring that women get that opportunity in the non-traditional fields. But first we have to test it out. That is the intention of the program, namely, to test that particular formula to see if it works. If it works, I will guarantee to the hon. member that there will be substantially more funds for that program, and for other programs. But I am not going to rush into a program and spend all kinds of money without having an idea of whether it works or not.

Some hon. Members: Hear, hear!

Mr. Axworthy: For the hon. member's information, at the present moment we have close to 80,000 women in training programs across Canada. By talking about 600 or 800, the hon. member does a disservice to mention those figures. There are close to over 80,000 women in training programs sponsored by the federal Government of Canada across the nation.

I can also tell the hon. member that the funds to Outreach have already been restored and we intend to increase them and develop new Outreach programs. We are consulting on that aspect at the present moment. As far as affirmative action is concerned, I would certainly tell the hon. member that we are presently working on an affirmative action program both in the private sector where we have signed a number of agreements with private sector employers, and we will be applying the same system to the public sector. We are presently negotiating to make that happen. I think that the hon. member will find that we will be living up exactly to the commitments made in the throne speech.

Mr. Rod Murphy (Churchill): Madam Speaker, I am glad that the minister has not lost his temper yet. My question deals with the native opportunities training program. First, I would like the minister to clarify that the three defeated Liberal candidates whom he appointed in Manitoba and who reported to him yesterday on native employment projects will in no way be held responsible for the programs that are suggested today.

An hon. Member: That is western input.

Mr. Murphy: I am sure that they would not like to be blamed for any of the programs that came forward. Obviously if they made the report yesterday, they have no impact.

I would like the minister to explain how, by September of this year, he expects to find 3,900 training positions in the provincial institutions and in industry. I do not believe that by September this year it is possible to get these positions in line. I do not believe it is possible, especially in light of what the member for Hamilton Mountain (Mr. Deans) said, to find positions in industry at this time. I think we are looking at a bunch of paper figures, that it is not actually possible to do what the minister is saying.

Mr. Axworthy: Madam Speaker, I can only comment on the total lack of faith which the hon. member for Churchill (Mr. Murphy) constantly displayed in his statement about the ability of people to put things into effect when they want to. It may be that he is slow in moving on things, but we do not intend to be.

In this program we have already had several negotiations with native organizations. We do not intend to restrict our assistance simply to provincial institutions or to the workplace. We are also negotiating with a number of native organizations across Canada to see how we can assist them establish their own native training programs which would come with our basic principle of government, which is to increase the autonomy and self-sufficiency of native organizations across Canada.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question deals with a matter in which I have a special concern. I refer to the employment program and more particularly community development projects, community service projects, economic development assistance and so on. Are municipalities, municipal agencies, municipal libraries or other government levels eligible under those programs and, if so, can we take it that some municipalities might be interested in being actively involved and becoming the driving force behind those new schemes for the creation of employment?

[*English*]

Mr. Axworthy: Madam Speaker, with respect to those programs I would tell the hon. member that in most of the cases the programs that we have announced, particularly those dealing with the leader program, we would welcome the participation of the municipalities. There are certain provinces, one in particular that is bordering on this province that we are now residing in, which does not allow the municipalities to participate directly in these programs.

● (1620)

As I said, I met with the provincial ministers to consult with them. What we intend to do is to allow each of our regional officers to sit down with provincial officials, private sector people and community people, to design a blueprint that is suitable for each of those regions.

In the application of the LEDA project, we would hope to have 15 to 18 of these projects in place by the end of next year. In these projects what we basically do is enable a community, a small growth community or even a downtown urban community, to establish a non-profit development corporation that would include representatives of the municipality, the business sector and the local residents. We would assist them to develop that corporation and provide seed money so they could take loans to establish new businesses. It is a way to try to get away from the short-term job creation and into long-term economic development programs.

I think it is one of the most exciting possibilities we have in terms of a new approach to job creation in Canada. If those 18 projects work, then we will expand the program, obviously. We would request and encourage municipalities to be involved in helping us with these programs.

Mr. John Kushner (Calgary East): Madam Speaker, with all due respect to the minister, it is an embarrassment and an insult to the Canadian people—

An hon. Member: Question.

Mr. Kushner: Just a minute. I am just getting to the question. My question is: how can you blame the Conservative government when you have been in power for 11 years and you are still forming a committee to try to find out what the problem is? It does not make any sense.

Mr. Regan: Is he allowed to criticize the government?

Mr. Kushner: My question to the minister is: in the technical and trade field, will the minister inform this Parliament if the trades in fact will be recognized by the apprenticeship board?

Mr. Axworthy: Madam Speaker, I am not quite sure. Perhaps the hon. member could repeat his question.

Mr. Kushner: Does the minister know what a trade is, that you have to serve an apprenticeship and it has to be recognized by the apprenticeship board, the union, or whatever technical trade you may take? Have the unions agreed?

Mr. Axworthy: Madam Speaker, as the hon. member obviously knows, because he purports to be knowledgeable in this field, the apprenticeship program is under the provincial jurisdictions. They establish both programs and they establish the apprenticeship board. What we can do through our program is assist in the allowances paid to apprentices going into those programs. We have nothing to do with the licensing or authority dealing with the apprenticeship program.

I have met with all my provincial counterparts as well as having spoken to them on the phone. We have received proposals from them. We have indicated to them that we are prepared to co-operate if they want to extend their apprenticeship programs. The one thing that we do insist upon is that those apprenticeship programs have a much higher involvement of women and other people and not be so restricted. It is up to the provinces to negotiate the actual design of the apprenticeship program; that is a very clear constitutional authority. What we can simply do is aid and assist them in those areas.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I have a concern regarding the community services project set up with the funding of 100 per cent, 66 per cent and 33 per cent, a diminishing funding program for setting up various projects within communities. Has the minister looked into the experience of other government projects with diminishing grants from government to see the disaster that they have been? In fact once the federal funding has disappeared, the projects tend to disappear as well, or they are back at the door of another level of government asking for the funding that has been lost from the federal government.

I am thinking of an AHOP program, for example, which is a prime example of a program that in its original concept looked good on paper, sounded great, but when you put human nature into it, it turned out to be a real problem child. The Minister of Public Works (Mr. Cosgrove) likes to say that it is 95 per

cent successful. I want to hear what he is going to say a year from now when all those mortgages come due.

In this particular program, has that type of thing been looked into? I am concerned that communities will be encouraged to establish these various projects, and then you will start withdrawing the funding and do not have suitable funding to replace it, and the good of the program will be lost.

Mr. Axworthy: Madam Speaker, I think that is a very legitimate question. It is one that we addressed a fair amount of time to, and one that we did talk to the provinces about. It is fair to say that we would not want to be in the position where we were simply designing programs that would then take flight and then come to a sudden thud. The reason for that in the previous programs was that it was usually just one-year funding and they would come to a dead stop.

What we would indicate, under the directions and instructions surrounding this program, is that those who apply for them would have to understand very clearly the terms of the programs. We have extended it to a two-year basis. Along the way they will have to become either self-sufficient or simply apply for a year or two to complete an actual project. When it is designed, as I tried to answer another hon. member when he raised the question, it is designed as a supplementary auxiliary program to allow those organizations to do things that they otherwise could not do because they would not have the people in place to do it.

We do not intend to replace or displace the base funding of a community served between the social services. That is a matter for a much broader negotiation between our government and the provincial governments in terms of the funding of health, community services, and cultural services.

What this will enable many of the organizations to do is to provide programs which they otherwise would not be able to provide in that time period of one, two or three years.

Just to give another example that comes to mind, there are a number of organizations trying to deal with the problem of immigrant women coming to this country, women who have arrived through the new refugee program. It is a program that is necessary to provide for education, counselling or services within the community. It is that kind of program for which this community services project would be ideally suited. They would have to define very carefully the objectives of the program. They have to understand that after three years it would terminate and they would have to become self-sufficient under those terms. What we would obviously want to have happen is that these programs would be worked out even on regional levels with our directors general of regional commissions, with the provinces and community service sector, so the programs would be well understood according to those criteria.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-597, to amend the Canadian Radio-television and Telecommunications Commission Act (provincial representation).

Some hon. Members: Explain.

Mr. Wenman: Madam Speaker, we have arrived at a critical junction in our country's history. The vastness and diversity of Canada have always contributed to conflicting demands upon the federal system. Today these demands have climaxed into separatist movements in both the east and the west.

I do not pretend that this bill, the first of three which I will be introducing dealing with the question of provincial representation, will make more than a modest effort to slow down the divisive tendencies so evident in our society today. But I would like to think that these bills are in keeping with the spirit expressed both by the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) in the House following the referendum, when they spoke of the legitimate aspirations of all Canadians and the need for more effective and representative national institutions and mechanisms.

• (1630)

My bills do recognize that provinces have legitimate aspirations and moreover, valid demands for input into decision making when the outcome of those decisions is of fundamental importance to them.

As it presently stands, the act establishing the Canadian Radio-television Commission does not provide for provincial input into the appointing of commissioned membership. Changing the act to require the approval of the majority of provinces for these appointments would go a long way toward overcoming provincial accusations that the federal government is ignoring the concerns of those regions outside of central Canada. These changes would, in effect, provide a mechanism whereby the provinces could ensure that their concerns would be recognized. At the same time these amendments would ensure that the administrative efficiency of the commission would not be impaired.

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

* * *

[*Translation*]

WAYS AND MEANS

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

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, in accordance with Standing Order 60, I am

tabling a notice of ways and means and I ask that it be put on the order of the day for debate.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 114, 184, 191, 283, 339, 612, 701, and 926.

[*Text*]

COMMANDER DON LORY

Question No. 114—**Mr. Cossitt:**

1. Was Commander Don Lory, Press Secretary to the Hon. Barney Danson when he served as minister of national defence?

2. Did Commander Lory serve in the same capacity with the Hon. Allan McKinnon when he was minister?

3. Is Commander Lory serving in the same capacity to the latest ministerial incumbent and, if not, for what reason?

4. Was it government policy in the past to consider the position a political job and is it government policy, at present, to consider the position a political appointment?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

2. Yes.

3. No. As a military officer Commander Lory has been posted to another job.

4. No. It was not government policy in the past and it is not government policy at present.

FRESHWATER FISH MARKETING CORPORATION

Question No. 184—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Freshwater Fish Marketing Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):

	1977	1978
1. Total Revenue	24,461,000	24,730,000
Net Earnings	96,000	137,000
2. (a) None		
(b) Loans from Government of Canada	9,540,000	14,564,900
(c) None		

Order Paper Questions

CROWN ASSETS DISPOSAL CORPORATION

Questions No. 191—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Crown Assets Disposal Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

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

	Total Revenue	Net Earnings
1. (a)	$13,229,073	$(69,318)
(b)	$12,656,680	$100,548

	1978	1977
2. (a)	nil	nil
(b)	nil	nil
(c)	$171,997*	$71,449*

* Working capital advance

NATIONAL MUSEUMS PURCHASE ACCOUNT

Question No. 283—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the National Museums Purchase account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Museums as follows:

Fiscal Year	Amount
March 31, 1976	$5,504,710
March 31, 1977	5,400,878
March 31, 1978	1,145,691
March 31, 1979	1,869,967
March 31, 1980	1,000,744

VETERANS AFFAIRS—TRANSFER AND ACQUISITION OF LAND AND BUILDINGS

Question No. 339—**Mr. Herbert:**

Since April 1976, what properties, land and/or buildings have been (a) transferred out of (b) acquired by, the Department of Veterans Affairs?

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

(a) 1. Westminster Hospital, London, Ontario, real property (lands and buildings) on the north side of Commissioner's Road (79.12 acres) transferred to the province of Ontario under the authority of order in council (PC-1977-3198, dated November, 1977).

2. Westminster Hospital, London, Ontario, real property (lands and buildings) on the south side of Commissioner's Road (246.5 acres), transferred to the province of Ontario under the authority of order in council PC 1979-1460, dated May 9, 1979.

3. Queen Mary Veterans Hospital, Montréal, Québec, real property (lands and buildings) transferred to the province of Québec under the authority of order in council PC 1978-8/2264, dated August 4, 1977. Acreage 20.8.
4. Camp Hill Hospital, Halifax, Nova Scotia, real property (lands and buildings) transferred to the province of Nova Scotia under the authority of order in council PC 1978118/723, March 9, 1978. Acreage 11.8.
5. Colonel Belcher Hospital, Calgary, Alberta, real property (lands and buildings) transferred to the province of Alberta under the authority of order in council PC 1979-5/2919, dated October 25, 1979. Acreage 3.5 approximately.
6. Lots 29 and 30, Block 70, Plan A-1, Calgary declared surplus to departmental needs and now administered by Public Works Canada.

(b) Nil.

DEPARTMENT OF FISHERIES AND OCEANS—LAWYERS ON STAFF

Question No. 612—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Fisheries and Oceans?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): The Department of Fisheries and Oceans has no lawyers on its staff. Lawyers assigned to the department are employees of the Department of Justice (4).

NATIONAL DEFENCE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 701—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of National Defence for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Ten.

2. (a) 10, (b) and (c) Nil.

3. Four.

4. $55,467.50.

SUPPLY AND SERVICES—LIST OF VENDORS—LEEDS-GRENVILLE

Question No. 926—**Mr. Cossitt:**

With reference to the answer to question No. 670, which states in part, that the Department of Supply and Services does not compile lists by electoral districts for the purposes of calling tenders on an invitation basis, did the department furnish the hon. member for Leeds-Grenville on November 9, 1979 with a list of those used for inviting tenders for Leeds-Grenville and, if so (a) was the list headed "Leeds-Grenville Vendor List" (b) how does the government explain the discrepancy in the answer to the question?

Hon. J.-J. Blais (Minister of Supply and Services): The department did provide the hon. member on November 9, 1979, a list of vendors registered with the department and located in the constituency of Leeds-Grenville.

(a) The list was headed "Leeds-Grenville Vendor Listing".

(b) The list is not "used for inviting tenders for Leeds-Grenville". The list was extracted at the request of the hon. member's office and drawn on the basis of postal codes for the constituency.

[*English*]

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed from Thursday, May 29, consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I rise to oppose the bill now before the House. As a matter of interest I note there are now 19 members sitting on the benches opposite. I wonder how many of them will still be in the House at the end of my remarks. That will be a process of deflation; I shall be talking mostly about inflation.

An hon. Member: Count your own side!

Mr. Kilgour: I am sorry, I left out members of the New Democratic Party. There are six of them here.

As hon. members know, the bill authorizes the government to borrow $12 billion for the fiscal year 1980-81. Some of us do not know what $12 billion really amounts to, so I made

some calculations last night. The Ottawa *Journal* tells us that a Silver Shadow Rolls Royce now sells for a mere $138,000. So according to my calculations, $12 billion would provide 140,000 "Silver Shadows"—enough to buy one Rolls Royce for every man, woman and child in the city of Saskatoon.

An hon. Member: Why not do it?

Mr. Kilgour: A lot of Rolls Royces, Mr. Speaker! That example might help in putting this figure of $12 billion into perspective. As members know, the amount deals with projected budgetary and non-budgetary cash requirements tabled on April 21. I should like to begin by placing before the House examples of the way in which past Liberal governments have spent the taxpayers money. It goes without saying, I believe, that the policy of the present government, if it follows the pattern of Liberal governments in the past, will be: spend and spend, don't tax and don't tax, in an attempt to elect and elect. The examples I have selected are taken from a book entitled "A Legacy of Spending", published on the west coast; this is the second printing, I understand it has gone through many more since this edition was published. I bring them before the House on the premise that most Canadians will see the link between deficit spending and inflation, which is what most of us are concerned about. My first example, taken from this work, might be called item one:

Prime Minister Pierre Elliott Trudeau went on national television in a major press conference to talk to the Canadian people about inflation and the country's financial future. He said this—

There are, now, I think, only 17 members sitting opposite.

"We would be on the way to national disaster if nothing were done to bring spending under control. To spend vast sums on welfare, education and other programs while allowing inflation to continue—

Mr. Manly: On a point of order, Mr. Speaker, would the hon. member permit a question?

Mr. Kilgour: By all means, at the end of my talk. The quotation goes on:

—would merely place hundreds of thousands of Canadians on a treadmill they could not escape."

The Prime Minister also committed the government to a substantial cut in the federal civil service.

What has happened since August 13, 1969? According to this work, government spending has increased by $34 billion.

Item number two is a quotation from the Canadian Press in *The Province* dated Thursday, November 3, 1977.

Finance Minister Jean Chrétien introduced legislation in the Commons which would give the government authority to borrow up to $9 billion . . . the request for new borrowing authority comes on top of a $17 billion authority to borrow which the government received in March of this year.

Now, of course, the government is asking for $12 billion, so presumably at the rate these demands are increasing it will be asking for authority to borrow $18 billion of $19 billion by fiscal 1984, if it is still in office.

My next item, number three, is a quotation from the Nobel Prize Winner in Economics, Milton Friedman, speaking on CBC Radio on February 20, 1977:

There is only one place where inflation is made in Canada, and that is Ottawa. The unions don't make inflation for the simple reason that the unions do not own a printing press on which they can turn out those multi-coloured pieces of paper called money. The reason you have inflation is because the government has been printing too much and spending too much.

An example of this which many of us think of, though it is not in this book, is the loss of $130 million which Atomic Energy of Canada Limited, a Crown corporation, incurred selling its Candu reactor to Argentina, of all places.

The next example has to do with contracts. I believe members opposite know very well what contracts to their friends and consultants have amounted to over the years.

During 1975 and 1976 there were about 5,000 outside people under contract to the federal government to 72 departments, agencies or Crown corporations. The total cost to the Canadian taxpayer in those two years was some $148 million.

The latest example of what I call the government's use of contracts to reward its friends is that of the contract which was awarded to their candidate in Calgary West, Doug Laughlin, whom I know and find to be a pleasant individual. He has been hired by the Minister of Immigration and Transport at a salary, I am informed, of $50,000 a year, which is higher, I understand, than any other member of the same department.

● (1640)

I think the Minister of Employment and Immigration (Mr. Axworthy) conceded last week that a large part of his job, if not the only part of his job, would be to try to build up the Liberal party in western Canada. I assure hon. members opposite that it will take more than Doug Laughlin or 50 or 100 Doug Laughlins at $50,000 a year to do anything about getting the Liberal party off the ground or out from under the ground in western Canada. However, I cite that as one example of why hon. members opposite are asking for $12 billion in borrowing authority.

Item number five is simply figures respecting the deficits of the Post Office. I will only give the last few because it will get monotonous if I go beyond that. In 1972-73 the deficit was $90 million. In 1973-74 it was $177 million. In 1974-75 it was $320 million. In 1975-76 it was $546 million. In 1976-77 it was $671 million. In 1977-78 it was $567 million. I am told that the current deficit for the Post Office is of the order of approximately $700 million.

I am also told that the agreement the government has entered into with CUPW is worth approximately $20 million. Other unions will understandably want the same thing in terms of lunch breaks, and this will increase the deficit by about $30 million. When all the other government agencies and public employees ask for the same thing, that could amount to hundreds of millions of dollars.

Item number six deals with the question of the burden of debt. Please bear in mind that this is a couple of years old, but I do not think the situation has improved. The total direct government debt at the end 1976 was $96 billion, of which about $60 billion was owed by the federal government. I am quoting here:

Canadian governments are already deeply in debt at a time when they ought to be able to borrow to stimulate recovery. They have gone into debt to provide services and allowances the economy could not afford—to cover deficits, in fact. Governments have taken too much of the capital that was needed by private industry to build new or expanded plants—

I add parenthetically that that seems to have a relevance to what we were discussing a few moments ago.

—to create manufacturing jobs and beyond them service jobs. Servicing the enormous debt burden can only increase taxes (or borrowing, which in the end would be worse), and that can only further impair our already poor competitive position in world trade. Politics there has been. Foresight there has not.

Let me point out that interest charges on the public debt from January 1, 1976, to September 30, 1977, have amounted to $8 billion.

Item seven might be repetitive, but it is interesting. I am not sure of the date of this article, but it is a Canadian Press article and reads in part as follows:

The words of Paul Gérin-Lajoie, former president of the Canadian International Development Agency, did not come cheaply for the Canadian taxpayer.

In fact, it cost more than $20,000 to prepare and publish a speech he gave last May in Montreal, entitled The Arab World and Canada: Prospects for Co-operation.

Mr. Evans: Did you lose your place?

An hon. Member: How long is this going to take?

Mr. Kilgour: Item number nine deals with annual reports from the Canada Council, and there are seven or eight pages or grants by the Canada Council. I think some of them are quite amusing, in a sick way. The first one is for $32,972 "to study the prehistoric cultural ecology of Caspian Escargotieres in North Africa between 8000-5000 B.C.". The next one is a mere $7,395 "to conduct research in England, Louisiana and California on administration values and logic". The next one is a mere $4,280 "to study what people do with themselves when they don't have something to do".

Mr. Collenette: They speak in the House of Commons.

Mr. Kilgour: I think this one is priceless: $170,000 "to study air-breathing fish of the Amazon River". The preparation of a book on the functioning of the state cost $30,000. A study on the structure of households and social mobility in Graz, Austria from 1857 to 1910 cost $25,390.

The next item is under the heading " 'Madness' as reported by the Auditor General", and I quote:

A judge who sat on the bench for only seven months was given a pension of $18,677 a year and was paid a salary of $98,591. He was arraigned on criminal charges arising out of stock dealings of Northern Ontario Natural Gas stock. The judge was acquitted at his second trial.

Under the heading "What's a Million", Don Sellar of the Southam News Service wrote in November of 1977:

As even the wealthiest of men will tell you, a million dollars won't buy very much these days.

Probably no one knows this better than the Trudeau government, which spends several million dollars each year while running up deficits of several million more.

Here's a $1.1 million federal government shopping list culled from the files:

—Flag display kits, the answer to our national unity woes, $421,000;

—Preparations for a study of "dynamic fatigue in flat grass," a measly $100,000;

—A supply of "projectile simulators," $308,227;

Another item in the Vancouver *Sun* of June 27, 1974, carried the heading "The public paid $99,000 to create two jobs". It explains how $99,000 of our tax money went to create two jobs. I wonder if the jobs are still going.

The following might be of some interest particularly perhaps to members of Parliament. This item is entitled "It's a Sweetheart of a Pension Scheme".

A member of Parliament is eligible for pension after six years of consecutive service. It is possible for a person to be elected to the House of Commons at the age of 18, retire six years later, and go on immediate pension for the rest of his life.

The pension is based on the best consecutive six years of earnings by the MP Example: based on an average salary over the last six years of $20,000, an MP with—

Then it gives some figures. A member of Parliament with six years' service would receive $325 a month; with eight years' service, $466 a month; with ten years' service, $583 a month; with 15 years' service, $833 a month. How the Canadian public puts up with that is beyond my ken.

The next item is headed "The Prime Minister's Office, Cost of Operation Year by Year". In 1968-69 the cost was $767,000. In 1969-70 the cost was $1,103,000. In 1970-71 the cost was $900,000. In 1971-72 the cost was $1,131,000. I am rounding these off a little bit. It gets boring, does it not? In 1976-77 the cost was $2,270,000. In 1978-79 the cost was $2,676,000.

Mr. Evans: Try 1979-80.

Mr. Kilgour: I am sorry. I do not have that figure, but perhaps that question should be put on the order paper.

Mr. Baker (Nepean-Carleton): Put it on, John.

Mr. Anguish: If you are out of words, count the members again.

Mr. Kilgour: I think some of the members are getting restless. I will quote from a letter to an editor to try to perk them up. This letter was written by Simma Holt, who used to be a member of this House. It is hard to pick out which part to quote.

Mr. Munro (Esquimalt-Saanich): Quote it all.

Mr. Kilgour: I will just quote the first paragraph. I know hon. members would like more. Simma Holt was writing to the editor of the Vancouver *Sun*, and she wrote the following:

On November 12 you carried a letter with a large picture of a dewy-eyed girl suggesting that I was a cruel, heartless woman because I refused to give this young lady and her small group $50,310 in Local Initiatives Project funds, thus depriving the old, young, disabled and sick—all those who sound helpless and pathetic.

She did not tell you, nor did you check far enough to find out for yourself:

—That this small group, using several names, working out of one small office, have been living off the public purse for the past three years;

● (1650)

If anybody wants to see more, I will be happy to show them the article.

The next one is a piece headed "Liberal Ridings Cash in on LIP" and the subheading reads "$106 million". Then I will quote Ian Hunter from the Vancouver *Sun* Ottawa Bureau. It reads:

Liberal ridings received nearly twice as much as Conservative ridings in LIP funds in 1972-73. Urban affairs minister Ron Basford's—

He is more or less defunct as a member of Parliament.

—riding received more than any other represented by a cabinet minister.

It mentions some other ministers' ridings. It says that the riding of the present Minister of Finance (Mr. MacEachen) only got $2.8 million, that Westmount—which again has a Liberal minister—got $2.6 million, that Rosedale got $1.6 million—I wonder how much it will get this year—and the Prime Minister's (Mr. Trudeau) riding only got $615,000.

The final item here is a simple quote from an article of December 1, 1977, headed "Federal Spending Still Out of Control", quoting J. J. Macdonell. It would appear from the amount of the loan that the government is more than ever out of control in terms of spending.

I see I am going to run out of time, Mr. Speaker, so let me say something about the connection that this sort of spending has with inflation. At least in my riding inflation is one of the largest concerns of people who expressed this view to me. Again I am referring to a projected deficit of $14 billion, which hon. members opposite have indicated to us during the throne speech debate.

If I may, Mr. Speaker, I would like to speak very briefly now about what some of the leading world economists have said about inflation, and this might be applicable to Canada. I say that in that context, to buy what 45 cents would buy in 1968 now requires slightly more than $1 in Canada. First is Paul Samuelson who, I think, members will be aware is probably the dean of the economics profession in the United States. Literally millions of Canadian and American students have read his books. I think his views on inflation might be of interest to the House. He wrote that inflation

—can be stopped by reducing government spending, raising tax rates and swinging the budget into balance or surplus.

This appears to remain Dr. Samuelson's thoughts on inflation and deficit spending.

Second, let us refer to Milton Friedman who, like Samuelson, writes a weekly column in *Newsweek* magazine and won the Nobel prize for economics a few years ago. As hon. members here will know, he is the leader of the monetary school of economists and is clearly more professionally concerned with inflation than is Dr. Samuelson. Friedman has written that the way a government—

An hon. Member: What are your views?

Some hon. Members: Oh, oh!

Mr. Kilgour: There are nine members opposite left in the House, if my adding is right, and they are making a noise over there. Here we are talking about inflation. Mr. Friedman wrote that the way a budget deficit is financed is the heart of the inflation problem. In his view, money supply changes alone account for long-term price changes. In his opinion, the only condition for prosperity without inflation is for the central bank to:

—stabilize the rate of increase in the money supply at a rate approximately equal to the real rate of growth in the economy, say 4 per cent to 5 per cent per annum.

What is not appreciated is that he is not opposed to deficits in times of unemployment, but would not allow governments to pay for them by means of new currency printed for that exclusive purpose. He says that politicians permitted to meddle with money simply print too much of it, which in turn brings inflation, destroys the frugal instincts of its citizens and in turn:

—creates conditions that force governments to play a larger role in the system. In due course, inflation leads to economic collapse, climbing unemployment, and hence an even larger role for the state.

Some hon. members will recall a few years ago when the government of Mr. Callaghan in Britain was finally converted, I think. Inflation then was running in Britain at about 25 per cent a year and unemployment, interestingly, had never been higher since the great depression. Trying to convince people that inflation and unemployment are connected is a difficult but worth-while task, in my view.

Next I should like to refer to John Kenneth Galbraith who, as we all know, was originally a Canadian and has written many books. It is interesting to note that as early as 1952 he concluded that inflation was:

—the clear and present economic danger of our times.

In "The Affluent Society", which we probably all read, Galbraith wrote that inflation:

—falls on the weakest members of society, those with fixed incomes and those too poor or powerless to bargain for compensating wage increases.

His solution, as many of us know, is price controls backed by appropriate fiscal and monetary policy.

Mr. Speaker, it is my intention to conclude at five o'clock, or perhaps just before five o'clock to allow my hon. friend a question. But before concluding let me say that, in my view, Canada can have full employment without inflation. Members opposite, particularly members of the NDP, might ask: how can you do that? My submission is that the only way we can do it is the way that West Germany and Japan have done it, namely, with a sound fiscal and monetary policy.

I have a friend who recently visited Japan where, incidentally, unemployment now is at about 1.6 per cent. You will get disputes on what inflation is presently in Japan and West Germany, but it is certainly below the 9 per cent we have in Canada. In fact I understand it was less than 4 per cent in Germany until very recently. I see that hon. members opposite are disputing that. I did say it was open to dispute as to what it is this month or last month, but over the last year my understanding is that it is less than 5 per cent or 6 per cent in

both countries, for a very good reason. The reason is that they recognize what inflation will do to their country and what continued gross financial irresponsibility will do to Canada or to any other country, and it is on that basis that I think members on this side of the House recognize that we cannot go on running up larger and larger deficits or we will end up, as West Germans know so well, literally using a wheelbarrow to go to the store to buy groceries.

An hon. Member: Call it five o'clock.

Mr. Kilgour: I do not wish to call it five o'clock, Mr. Speaker, because my friend in the NDP will call me a coward. May I accept his question and stop prior to five o'clock?

The Acting Speaker (Mr. Ethier): Order, please. It will have to be with the unanimous consent of the House because it is now five o'clock. Is it agreed?

Some hon. Members: Agreed.

Mr. Manly: Mr. Speaker, the hon. member has been quoting from the book "A Legacy of Spending" written, I believe, by a Mr. Murphy, and he has been quoting it with some approval. I wonder if the hon. member is aware that Mr. Murphy has been convicted in court in British Columbia of attempting to bribe a cabinet minister in the British Columbia government in order to remove land from the agricultural land resource.

Some hon. Members: Oh, oh!

● (1700)

Mr. Kilgour: Of course it has nothing to do with the quotes.

Mr. Manly: It has a great deal to do with the quotes.

Mr. Kilgour: I can assure the hon. member that the quotes were almost entirely ones from newspaper articles or other material. Even the Minister of Finance will tell us things which, if they are correct, we accept. Having been a Crown attorney in British Columbia for nine years, I can assure the hon. member that I have no sympathy with Mr. Murphy.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley West (Mr. Wenman)—Environmental Affairs—Detrimental effects from volcanic ash eruption of Mount St. Helens; the hon. member for Vancouver South (Mr. Fraser)—External Affairs—Reunification of families—Representations to U.S.S.R.; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Nuclear Energy—Underground water disposal research project in Manitoba.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

PENSIONS

SUGGESTED LOWERING OF AGE OF ELIGIBILITY AND INCREASE IN MONTHLY BENEFITS

Hon. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $400 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

He said: Mr. Speaker, I suppose I shall be stating the obvious if I suggest that this motion is in a field concerning which I have made a few speeches before today. As a matter of fact, although my concerns for the people I represent touch all areas of their lives, my concern most often expressed in this House during the years that I have been here has been for senior citizens, veterans, and others who deserve better than they are receiving.

As I have said on previous occasions, it was probably in the stars that I would have this interest in the House of Commons. It so happens that on the day I was born, which was June 18, 1908—please, that is 1908, not 1808—

Mr. Baker (Nepean-Carleton): We heard that, Stanley.

Mr. Knowles: —this House was debating the second reading of the first piece of legislation dealing with a form of pensions for the people of Canada. It was the Government Annuities Act that was debated and passed that day. I was not involved in that day's debate, but I guess it got me started. However, it was not long after that, when I was about 18, that I learned of the effort being made in the House of Commons by Mr. Woodsworth, my predecessor as the hon. member for Winnipeg North Centre, which resulted in the first old age pension. It was payable at the rate of $20 a month at age 70, with a very severe means test.

Not many years after that, indeed in the early years of the depression of the 1930s, my own father lost his job as a

railway machinist and found himself at the age of 58 without any pension or any resources other than the meagre savings which he had been able to put together.

I did not get up with the idea of telling my life story or doing that sort of thing—

An hon. Member: Go ahead; it is Canadian history.

Mr. Knowles: —although I am being encouraged to do so. It so happens that at that time I was a minister in the United Church in downtown Winnipeg. I had studied many years to be a United Church minister, and that was the career which I had intended. I still have that status, but the shock of what happened to my own father in 1933, and then the misery that I saw among so many people in so many of the homes I visited in connection with my work as a minister of the United Church, led me to the feeling that I had to do something more than preach about a better future; I had to get into the struggle. So, I was propelled into political life by a number of factors, but largely by what happens to older people in a society that is not really concerned for them.

I am proud to have been a member of this House through these several decades in which we have greatly changed the picture from what it was in the early years about which I have just talked. Instead of a pension of only $20 a month payable at age 70 with a severe means test, now we have a pension of about $186 a month payable to everyone in Canada who is age 65 or more, who meets the residence requirement, and we have the guaranteed income supplement which can be had on top of that, and also the Canada Pension Plan. Then we have other pension plans that have developed and in recent years. We have been able to improve the position of our veterans. So, the story is one of improvement, but it is no time to stand still.

Our senior citizens, for the most part, are still living below the poverty line. No matter how much we might boast about what we have done, we cannot be content when anyone can stand and say that, that most of our older people are living below the poverty line. To be specific, the fact is that all senior citizens who are single are living below the poverty line. Those who are married and living in rural parts are about up to the poverty line, and that is also true or will be true in July for those who live in smaller cities. But even for married couples who try out the proposition that two can live cheaper than one, many of them are still below the poverty line. That is why I put this motion on the order paper year after year. It usually gets talked out. Surely the attentive audience I have today will not talk it out. Surely we are all sympathetic. Surely we will pass this motion today.

Some hon. Members: Hear, hear!

Mr. Knowles: I say to the government that consideration ought to be given to the propositions set out in this resolution.

The thing I feel is most needed is what is stated in the first part of the resolution, namely, the lowering of the eligible age. We have it down to 65, but the number of people, particularly women, in years just below that, from 62 to 65 or 60 to 65, or even younger for that matter, who are in dire straits, is a disgrace to the good name of Canada. The arrangements we now have for the spouse's allowance do not meet the situation at all. The spouse's allowance helps some women in that age bracket, namely, those who are married to spouses who are over 65, but it provides nothing at all for women who are single, whether they are unmarried, divorced or what have you. The plight, as we all know, of unattached older women in this country is something of which we ought to be very deeply ashamed.

I feel very strongly that the answer to that is not more programs like the spouse's allowance, not programs that have a marital test in them, not programs that have a means test in them. My contention is that the most logical and humane approach is to provide the pension at age 60 to persons who are out of the labour market. It is very simple to apply that test. We had that kind of test once on the Canada Pension Plan benefits between the ages of 65 and 70, but we removed it in favour of no test at all.

● (1710)

In other words, I am not advocating that pensions be universal at 60 as they are at 65, but I say that those who are out of the labour market ought to get that opportunity, ought to have the right to receive their pensions, both old age security and the Canada Pension Plan. It would not take long for that kind of program to do far more by way of providing jobs for young people than was proposed today by the Minister of Employment and Immigration (Mr. Axworthy). Just make it possible for persons between the age 60 and 65, by leaving the labour market, to draw old age security and the Canada Pension Plan and, I suggest, several hundred thousand jobs would be opened up right away.

That, however, is not my main purpose in making this proposal; the main reason I do so is that I think it just does not make sense and does not accord with the way we think about things in Canada for our older people to be suffering at all.

I suppose if this debate is not finished by six o'clock some of those who take part will say they are sympathetic with my viewpoint, that they want to do something for older people but we cannot afford it, that this is a time of restraint. That is what finance minister Charles Dunning said to J. S. Woodsworth when he first proposed a pension of $20 a month at age 70—the treasury could not afford it, the country would go broke. When the bill went to the Senate their honours opposed it because they said it would not be good for the old people to be getting pensions out of the public treasury! The pensions they were getting over there for life did not seem to bother them. It did not drive them to the dogs but it would do that to older people generally.

Let us not have that kind of statement today, Mr. Speaker. Even if it is a time of restraint it is not the time to put the burden of that restraint on the weaker members of our society. Families do not do that. If a family is in economic straits it does not put the main burden on the weakest and most helpless members of the family; it does some sharing and sees to it that

the family as a unit gets along. Let us not put the burden of our economic problems today on those who are older by condemning them to continue to live below the poverty line, while we find money to spend billions on aircraft, while we find it possible to bail out Chrysler Corporation and outfits like that, while we appoint Dr. Cliff McIsaac and the Hon. Léon Balcer to study the possibility of raising the pay of MPs. If they do recommend that, I hope we will have enough decency not to go for it while senior citizens are still living below the poverty line. Do not tell me that restraint has to be borne on the backs of those least able to bear it.

The whole business of government is one of deciding where to spend the money. Sometimes in this place you would think the job of Parliament is to keep government from spending money. I am not against government spending money but I want it spent fairly. It is not being spent fairly when our senior citizens are suffering as they do today.

As I say, this applies generally, Mr. Speaker, but it applies particularly to elderly women who are unattached. These things could be resolved by accepting the proposition set out in this motion.

I say in the first part of the motion that I think the eligible age should be brought down to 60, and I say in the latter part of the motion that the amount of the pension ought to be increased. The figure I give is $400 per month which is a little bit more than the total of old age security and guaranteed income supplement will be after July 1. My proposal is that it be on a universal basis. I am still as sold as I was the day I first came here on the proposition that it is not just, decent, and humane to say to older people that to get what they need they have to prove their poverty. Tax it back from those who do not need it. We could do it if we had a sensible income tax system. We should not require people to submit to an income or means test, however. My proposal is that it be paid universally and that the few—the 8 per cent or 10 per cent at the top who do not need it—can be required to pay it back. Let us not continue this concept of a means test as it applies with respect to the guaranteed income supplement.

I believe the Minister of National Health and Welfare (Miss Bégin) agrees with me, but she always has to defend the other position. The other day she said she wondered why we kept pushing the concept of universality when, after all, it had been won. Then she said she suddenly got the idea that maybe the reason we do it in this corner of the House is because we are afraid that it has not been eternally won. She is dead right, Mr. Speaker. Battles do not stay won if people do nothing about them. There have been voices in this very session saying that we should reconsider the whole position and not stay with universality, that maybe we should take it away from some and give it to others. Unless some of us keep fighting for the principle of universality, we could lose even the universality we have as it applies now with respect to the basic amount of the old age pension.

I said the other day that I got out of character a bit, a while back, by attending a Senate function. It happened to be that testimonial dinner—

Some hon. Members: Shame!

Mr. Knowles: Don't worry; it was not over there in the Senate chamber. It was in the West Block, which is a House of Commons office building. The guest of honour for the evening was David Croll, who deserved a testimonial dinner. In his speech, speaking as a man who has been through the same decades I have been through—although perhaps almost one more—he pleaded with the people who were there that night to realize that the two principal diamonds in the crown of social legislation that we built in this country are universal old age security and universal medicare.

Some hon. Members: Hear, hear!

Mr. Knowles: David Croll said, "Dont't let anyone take away from those basic victories." Every time we add a little more to the guaranteed income supplement and do not add any more to the basic old age security, we are moving from universality to selectivity. When we do it in respect of medicare by fees and that sort of thing, we are moving away.

These, in my view, along with some other things like family allowances and the improvements we have made for veterans, are the best things that Parliament has done in the years that I have been here, since 1942. I want to see them preserved. I do not want us to lose any of them whatsoever, but I also want to see them improved.

I feel very strongly that Parliament is at its best when it is concerned with those who need concern expressed for them—those who are ill, disabled, children or older people. We have done well, but we must stay with it. That is why I ask this House today not to go through the usual ritual of talking out this motion, but to give it a chance. Even if the motion passes it does not put these things into effect. The motion cannot read that way because I am a private member and I cannot move anything that involves the direct expenditure of money. The passing of this motion would say to the government that it is the opinion of this House that these things should be done. I hope that is the view of hon. members who are in the House this afternoon.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, the hon. member who just spoke mentioned the year of his birth, and I am glad he clarified that. There are some in this House and in the other place who feel he has been here for much longer than that. Although you and I, Mr. Speaker, were born long after the hon. member, and came to this House long after him, I want to report that I came to this House for the first time as a visitor in 1950 when I sat in the gallery. My party was then in opposition, under the leadership of George Drew. I looked down upon the bald heads of the then Liberal government at such members as the Hon. Jimmy Gardiner, the Hon. C. D. Howe, and the Hon. Douglas Abbott. When I cast my mind back on those giants of Liberalism, I am really shocked at how this party opposite has crashed and tumbled down in ability and substance. But that is beside the point. I am not

here to castigate the government, but I could not resist that comment.

● (1720)

During that period of time I also saw and heard my first speaker for the New Democratic Party, which was then called the CCF party. The first speaker whom I heard was the hon. member for Winnipeg North Centre (Mr. Knowles). I do not know whether that was the name of his constituency then. He has nodded his head that that was the name of his constituency.

The hon. member was speaking during the course of a debate on the subject of the plight of old age pensioners—those who have left the work force, those who are dependent at that point on others for their way through life. The hon. member for Winnipeg North Centre has mounted a tremendous crusade during the course of his parliamentary life, a crusade from which he has not deviated one foot. It is a crusade which the hon. member continued when I had the honour to act as House leader for a government in this chamber. During the Thirty-first Parliament there were calls by the hon. member for Winnipeg North Centre and the hon. member for Victoria (Mr. McKinnon), who became the minister of veterans affairs in the Clark government, both then and while he was in opposition, asking for improvement in the plight of veterans, veterans' pensions and the widows of veterans. That call had been mounted for some time by the hon. member for Winnipeg North Centre.

When the hon. member for Victoria became the minister of veterans affairs—and I know that the hon. member for Winnipeg North Centre will back me up on what I am about to say—one of the priorities of the then minister and the government was indicated in one of its earliest pieces of legislation, a bill which I think would be acceptable to the hon. member for Winnipeg North Centre if it was introduced today. The bill deals with improving the lot of veterans. I hope that the government, when the questions are asked in the House of Commons with regard to the position of veterans—a group of people to whom this country owes a great obligation and its independence—whether the questions come from the hon. member for Winnipeg North Centre or the hon. member for Victoria, that the answer will not be that the matter is before government. This matter has been before government for some time. There is a bill ready, and it should be introduced and dealt with expeditiously. When that bill is introduced—and I say now, doffing my hat as a private member and as a leader of my party in the House of Commons—we will give it speedy passage.

Mr. Knowles: Hear, hear!

Mr. Baker (Nepean-Carleton): Such a bill is important, and it would have received speedy passage by our government. It is important that the bill be introduced and passed now.

While I pay tribute to the hon. member for Winnipeg North Centre who has urged that cause, I want to pay tribute as well to the hon. member for Victoria who, being a veteran himself, when he was minister, and knowing the plight of these people, pressed the case in cabinet and brought a bill to the House of Commons which, I wish, could have been dealt with before the government fell.

There is not a member of Parliament, no matter from whence he or she may come and regardless of the constituency which he or she represents in this House, who will not say to anyone who asks that there are people in his or her own constituency who are disadvantaged as a result of raging inflation. Elderly people are disadvantaged by the requirements of old age, being unique in themselves, and the absolute inability of the present pension system and the amounts paid under it, even with the $35 which we added to the GIS last week through the mutual consent of the House. I am sure that there is no member who is prepared to say that the present amounts are adequate. If there are such persons, then I think those members are out of touch with the system.

A week or so ago the Minister of National Health and Welfare (Miss Bégin) released a study on the future of the nation's elderly. The study said that if the prognosis for the future is to be gleaned from the report, one would have to describe it as bleak, and the largest burden would appear to be falling on women who tend to live longer. I hope that the government, spurred on by this motion standing in the name of the hon. member for Winnipeg North Centre, will speed up consideration of the changes which must be made in the pension system.

The changes apply not only to the public area, with which we can deal directly once the study which is under way is completed, but to the private sector which also has problems that must be addressed. The big bite with the whole pension system is with respect to inflation. This report notes that only a handful of private sector pension plans offer increases to help offset the effects of inflation on employees. In many places there have been ad hoc contributions to partially offset, but according to the report, such adjustments really only go about half way to answer the effects of inflation. That report was tabled in the House by the Minister of National Health and Welfare.

With respect to the public sector plans which have been described by the hon. member for Winnipeg North Centre, and with respect to the private sector plans, what we have is an inadequate system which cannot meet the needs of a population which is aging, not to mention the increase in the proportion of that population which is growing old. People are living longer today, and the figures in this area are quite dramatic.

I agree with the hon. member for Winnipeg North Centre that, in the name of restraint, it is inhumane and improper to look to those who are no longer in the work force, who are no longer contributing to inflation and who are, in fact, the victims of inflation to bear the burden of that restraint program. I am not suggesting that the balancing in government is easy. I was in government and I know that it is difficult. However, this is an increasing problem and that is why I am concerned.

The Globe and Mail of this morning indicated that the government is considering removing the indexation of income tax in order to reduce the government's budget deficit. Such a measure would not impact very heavily upon me or upon any other member of this House, but it will impact very heavily on people of lower incomes. Before the government moves to implement such a proposition, it must think very carefully about what it is doing. I believe that the index feature was put in place to help taxpayers escape the ravages of inflation. I think that that indexing feature as it applies to income tax can have a very important bearing on taxpayers of moderate income, and that includes old age pensioners.

When the government considers its programs for pensions and superannuation that are available to its own public servants, it is equally important that it not give with one hand and take away with the other, all in the name of restraint.

● (1730)

There has been a considerable amount of discussion over the years. It was discussed by the government of which I was a member, and it was discussed during the course of the Thirtieth Parliament. There was an attempt during the course of the thirtieth Parliament to come to some balancing of the equities in the course of that debate. I think that that balancing of the equities should at least be maintained. I think our efforts should be directed toward looking at the somehow private and the public system and attempting to marry them so that out of it there will come some adequate form of security for one's old age.

The most significant statement that appeared out of that report on the plight of the elderly, tabled by the Minister of National Health and Welfare, was this:

> If the real value of such pensions is allowed to erode to the extent that occurred in the 1970s, the whole employer-sponsored system could well be seriously called into question.

What does that say to people who grow old, leave the work place, and have these inadequate pension plans in the private sector? They could ask about the obligations of the government in the public sector. What it says then is that we have an obligation, growing at an alarming extent, to examine the public sector side to see whether there can be an appropriate marrying. If we allow the pension systems in this country, both public and private, not to meet the needs of Canadians, and the failure to meet that need grows with the reality of the economic situation in the country, then I want to ask everyone in this House what they are going to say to old age pensioners, what they are going to say to retired people when they come and ask what the government intends to do about the situation that exists.

I guess a lot depends on one's view of the role of government. Quite frankly, I think if it is any role at all to govern, its primary role is to protect the disadvantaged. They can be disadvantaged because of physical handicaps, because they need new training to get other jobs, because social programs have changed or because they have grown old. They have become either unable to compete or are in such a position that one ought not to ask them to compete in the work force. So those are the problems that face us as we go down the road.

The motion of the hon. member for Winnipeg North Centre (Mr. Knowles) was a very timely one. I want to give you some indication of the seriousness of the problem that is facing the men and women of our generation and the generations that are to come who will sit in this House. I want to give some information that was in the study tabled by the hon. member for Winnipeg North Centre—

Mr. Knowles: Tabled by the minister.

Mr. Baker (Nepean-Carleton): Tabled by the minister in this debate that has been brought on by the hon. member for Winnipeg North Centre. The study had some alarming conclusions for all of us, one of which was:

> Only 48 per cent of workers were members of employer-sponsored pension plans in 1976. Many of these will never collect an adequate pension because most plans are not portable and rules regarding an employee's right to ownership of pension credits—known as vesting—are too stringent.

In other words, what is being said is that while we have to look at the private sector pensions, the writers are pointing down the road to a time when we will be asked by the general public to look at some augmentation from the public pension sector to enlarge those plans. Another conclusion reads:

> More than half of two million retired persons collecting pensions also receive guaranteed income supplements—

These are the additional benefits paid to needy pensioners. Continuing, the conclusion reads:

> This makes clear that many people who were not in straitened circumstances during their working lives find themselves in that situation after retirement.

That is what that statistic means. It is nice to have augmented it by $35 a month. It really means our assault on that problem with the provision of $35 a month is probably not sufficient, and we will probably have to face it again down the road. It was also pointed out in the report as follows:

> The Canadian employer-sponsored pension system is behind most other western industrialized countries in terms of coverage and vesting provisions.
>
> Less than half of workers with employer-sponsored plans have survivor benefits, leaving widows without any extra support in their later years.
>
> Up to one-half of middle-income earners making between $12,000 and $24,000 will see a significant drop in living standards after retirement unless the public and private pension system is reformed.

I think that study which was tabled by the Minister of National Health and Welfare just a few weeks ago indicates how serious is this problem that we face.

I say to you that it is not an appropriate response to say that pension plans now indexed should cease to be indexed in order to meet the problems of government and the problems of restraint in government. That is and always was an improper approach to take. I think rather that our efforts in this House of Commons through the studies that are going on within the government—and I wish there was a study by Parliament to do it as well—ought to address how to improve the public pension program of the government, how to better marry that public pension program with the private sector programs and how to supply the benefits for that 48 per cent of workers.

What about the 52 per cent of workers, who were not members of employer-sponsored pension plans in 1976? How do we deal with the people who must go for a means test to get the GIS? This indicates an inadequate compensation under those pension plans. Those are the problems with which this Parliament should grapple. We should not let our efforts with respect to reform and review of the social system be overshadowed by events outside this place.

It is in that spirit that I believe the hon. member for Winnipeg North Centre has brought forward this motion time after time. There are arguments about retirement ages. The member for Winnipeg North Centre thinks the retirement age should be reduced to 60. I think that is something that ought to be reviewed very carefully, particularly by the groups studying the pension system. That hon. member is himself the best argument there is against compulsory retirement age in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Those are matters that we must address. We do not have the luxury of putting under the rug, putting aside and handling with little band-aids some very fundamental problems in our society as it changes. That is the spirit with which I greet the motion in the name of the hon. member for Winnipeg North Centre. I want to thank him for giving the House an opportunity to debate and discuss this important matter.

Some hon. Members: Hear, hear!

Mr. David Smith (Don Valley East): Mr. Speaker, I am pleased to have this opportunity to discuss this motion put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). I was interested in his biographical remarks made at the beginning. I believe the hon. member was born in Los Angeles. At the time he was born, my mother was living in Los Angeles, moved to Winnipeg shortly after when her father, my grandfather, became a minister of a church in Winnipeg. So we have that background in common.

This motion reflects the hon. member's ongoing interest in our public pension system. I consider the debate quite timely, particularly in view of the fact that we have recently debated plans to improve the retirement income system in Canada.

In my opinion, it would be most appropriate for me to focus my initial remarks on a brief discussion of these plans. In so doing, I am hopeful that at least some of the concern raised in the hon. member's motion will be alleviated.

I wish to refer specifically to two announcements made in the Speech from the Throne which give proof of this government's commitment to meet the social challenges of the 1980s. First—is the following:

Inflation strikes hardest at the old and those least able to take care of themselves.

● (1740)

We announced our intention to introduce legislation that would raise the guaranteed income supplement by $35 a month per household beginning July 1 of this year. As the hon. member knows, we have acted promptly in this regard. On May 24, all parties gave approval on third reading to Bill C-16, which proposes amendments to the Old Age Security Act.

The measures endorsed by this House will, as has just been mentioned, provide a $35 a month increase to each pensioner couple currently in receipt of the GIS and spouse's allowance benefits. It should be noted that this increase will be added to the quarterly cost of living increases already provided.

The fact that 1.3 million persons, representing over half the OAS population, receive these income tested benefits indicates that clearly there is prevalence of poverty among elderly Canadians. In effect, this means that all GIS recipients who are unmarried or who are married to persons who are not OAS or spouse's allowance beneficiaries will receive the $35 increase. In the case of a GIS recipient married to another GIS recipient or to a spouse's allowances recipient, each spouse will receive a $17.50 monthly increase so that the over-all increase in benefits will be $35 per household.

I have just described how the government's proposals will benefit current GIS and SPA recipients. I would like to draw the attention of the hon. member to another important aspect of the bill, namely, that an additional 45,000 persons will automatically become entitled to receive these benefits as a result of the increase in the GIS income threshold.

Broadly speaking, the proposals which I have just outlined reflect the government's concern for the economic hardships faced by pensioners on low incomes. For now, hon. members opposite should recognize that Bill C-16 represents an early attempt on our part to provide relief to elderly people who are facing immediate economic hardship.

What about long-term solutions for the retired population as a whole? I want to assure those present today that we are looking beyond immediate solutions in this short term. Indeed, during the course of the debate on Bill C-16, we stated many times that it is our intention to seek solutions to the many pension issues facing us now and in the years ahead.

During the debate we emphasized a commitment to convene a national conference on pensions this fall. This conference is being planned because we know there is a tremendous challenge awaiting us in terms of coming to grips with existing problems in Canada's retirement income system. Make no mistake; I am referring here to problems in both the public sector and in the private sector.

We know, for example, that the system we have is not giving pensioners enough retirement income to maintain their standard of living. It is not giving pensioners enough protection against inflation. It is not meeting the needs of women working in the home or women in the labour force. It is not doing enough for the disabled or the handicapped. It is not protecting the pension rights of workers who change jobs. In short, the system is not doing its job.

This fact is well recognized by the hon. member for Winnipeg North Centre whose motion today is testimony of his commitment to positive reform. As the hon. member knows, we now have at our disposal a substantial body of well-researched material which identifies problems in the pension system and recommends alternatives. I could point, for example, to the report of the Task Force on Retirement Income Policy, which the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) and the Minister of National Health and Welfare (Miss Bégin) tabled on April 21.

Among others, the report of the Ontario royal commission which is due this fall will undoubtedly provide important input to the discussions ahead.

So the background research is near completion. What we need now is a forum in which to focus our attention on the options open to us. That is the reason the National Pension Conference will be convened. It will provide such a forum. It will enable us to bring together members of society who represent pensioners, workers, employers, advisory bodies, the pension industry and the various levels of government. We want to obtain their views and to develop a co-ordinated course of action for the reform of the pension system. I should stress that any process of reform will require close consultation with the provincial governments, whose support and co-operation will be vital if the necessary improvements are to be achieved. We hope the result will be the find of adequate and effective pension system that Canadians want and deserve.

I realize I have devoted quite a bit of time in this debate to describing the steps now planned for improving Canada's retirement income system. It seems to me the motion before us cannot, and should not, be considered in isolation from current pension reform initiatives.

In effect, today's motion is, for all practical purposes, identical to the one put forward by the hon. member in January, 1979. This certainly speaks well for the hon. member's tenacity. When that earlier motion was debated on the floor of the House, the hon. member recommended that the basic old age security pension be increased to $350 a month. This time round, I note that the figure has been revised upwards to $400 a month.

I am sure that, in an ideal world of unlimited resources, we would all readily adopt the hon. member's suggestions. However, we all know only too well that these are far from ideal times, in economic terms at least. Our economic resources are limited.

I was interested to hear the hon. member for Nepean-Carleton (Mr. Baker) give support to the goals of the motion. However, when the government of which he was a member was in office, I do not believe there were any initiatives along the line we recently demonstrated when we raised the supplement by $35 a month. His party is continually berating this side for the existing deficit, to say nothing of what the deficit would be if this motion were to pass. Our economic resources are limited.

One of the principal messages delivered in the throne speech was that "Canadians recognize the need to live within their national means, and they understand that in doing so the state cannot meet every demand or satisfy every group." This government would be irresponsible to ignore the economic reality. And so, we are seeking to direct the limited resources available to those who need them most. That is exactly why we have introduced Bill C-16.

In contrast, this motion implies that we should eliminate the guaranteed income supplement program altogether, and opt instead for an increased OAS pension in the amount of $400.

That brings about some serious inequities. For example, assuming the OAS pension were raised to $400, persons now receiving the basic pension of $186.80 would derive a net increase of about $213. Certainly they would be at the low end of the need scale. But what about OAS pensioners who are now entitled to receive the maximum guaranteed income supplement? Already, these persons receive $314 at the married rate and $340 at the single rate. So their net increases would only amount to $86 and $60 respectively.

Over all, those in greatest need would benefit least from this proposal. Instead of narrowing the gap between rich and poor, this measure would cause it to widen considerably.

Aside from the question of equity, the suggestion to raise the basic OAS pension to $400 a month is simply too costly. As mentioned previously, the current OAS benefit is $186.80 a month, which adds up to a cool $5.3 billion a year. That does not including the guaranteed income supplement or the spouse's allowance which, together with the $35 GIS proposed for July, add another $2.2 billion to the over-all projected program budget for 1980-81. Were we to raise the pension to $400 a month, as the hon. member suggests, the annual program costs would skyrocket to $10.8 billion; $3 billion in excess of our projected budget. That figure only reflects the increase which would result if the age criterion remained at 65. If it were reduced to 60, the figure would be astronomical; it would go through the roof. Just imagine the increased costs if we were to follow another of the hon. member's suggestions, namely to pay the pension as early as age 60 to those who are not in the labour force.

In addition, since the Canada Pension Plan is a contributory program, the increased costs of paying earlier benefits would have to be borne by Canadian workers and their employers. We have known since the plan's first inception that the contributory rates would have to rise from the current 3.6 per cent of contributory earnings. Indeed, questions concerning how much this increase will be, and when it will come into effect, are currently being studied by a committee of federal and provincial finance officials. Although their study has not yet been completed, we do know that the contribution rate will have to rise to about 8 per cent over the course of the next half century. And that is the rate projected without major changes to the plan. If, on top of this, you were to add the increased costs resulting from retirement benefits payable at 60, contribution rates would start escalating dramatically. Before passing on that burden to future generations of contributors, I think we would need to weigh carefully the long-term implications of the hon. member's suggestion.

● (1750)

I would like to move on, now, to the suggestion that any means test or income test be eliminated from the Old Age Security Act. First, let me clear up any misconceptions here. Neither the guaranteed income supplement nor the spouse's allowance benefit is means-tested, if we define a means test as an examination of both income and assets. Rather, these benefits are determined by an income test, based on the income of the individual as defined by the Income Tax Act. The latter is a more generous approach which enables a pensioner to own assets such as a home, and still remain eligible to receive some financial assistance. It is also a more humane approach in that the individual's personal possessions are at no time subjected to scrutiny, as they would be under means-testing.

But I know the hon. member is more concerned with a discussion of principles, here, than with semantics. What he is really proposing is to raise the old age security benefit and to do away with the income-tested guaranted income supplement and spouse's allowance benefits. In other words, he is questioning the principle that financial assistance should be provided to those in greatest need, a principle which, as I said earlier on in this debate, will be the cornerstone of this government's approach to social policy for some time to come.

Given the limited economic resources available, I think it is fortunate that we have a vehicle such as the guaranteed income supplement program through which the government can continue to direct assistance to those who need it most. As mentioned previously, Bill C-16 will enable us to accomplish this goal.

Finally, Mr. Speaker, I note that the hon. member remains committed to automatic indexation of benefits based on some measure of the Canadian standard of living. This point was discussed at some length during the debate on Bill C-16. As we all know, old age security, guaranteed income supplement and spouse's allowance benefits are indexed four times a year, taking into account quarterly increases in the consumer price index. I must say I find the frequency of the increases and the close relationship they bear to recent rises in the cost of living to be two very commendable aspects of these programs. I know the hon. member for Winnipeg North Centre would probably not agree with me on this issue, but I think it would be very difficult for him to come up with an indexation tool which would be as available as quickly as the consumer price index is. The speed at which the index becomes available is one of the factors which ensures the responsiveness of these programs to the increasing costs of accommodation, food, clothing and so on which our pensioners must face.

One of the most common criticisms of the method we use to index these pension benefits is that the consumer price index is not representative of the increases in the cost of living of pensioners. Critics often say that the basket of goods used to determine increases in that index contains many items which pensioners do not include in their own shopping baskets. Many of them suggest that a separate index should be devised to reflect increases in the costs of items which pensioners actually purchase. In response to this suggestion, a number of studies were undertaken by Statistics Canada, the Department of National Health and Welfare and the Economic Council of Canada. The Economic Council stated in its 1976 Annual Review that consumer price indices calculated for different income groups deviated only slightly from the price index published by Statistics Canada. The health and welfare study substantiated this finding. Statistics Canada produced an experimental price index for a group of low-income families based on the 1969 family expenditures survey. They found that for the period from June, 1973, to June, 1977, the official CPI had increased to a higher level than the experimental CPI for low-income families. In other words, if the experimental CPI had been used to index pension benefits pensioners would not have been as well off as they actually were when their benefits were increased by the official consumer price index. Incidentally, I understand that Statistics Canada is in the process of analysing data received from the 1978 family expenditures survey. This may reveal a substantial change in the spending patterns of low-income persons and pensioners. If this is so, then perhaps the studies I mentioned might be redone to determine whether the results obtained the first time are still valid.

Other critics of our indexing methods have suggested that benefits be increased in line with changes in other indicators such as average wages and salaries, the average of salaries of persons in five designated categories of workers in the public service, the total disposable income of persons in Canada as measured by taxation data, and so on. On this subject I would like to say to hon. members who are concerned about a quick response to changes in the cost of living that most of these indicators are not available as quickly as the consumer price index, and for a variety of reasons. Wage and salary data is required from employers; contract settlements often take place months after the contract has expired and income tax returns are required only after four months from the end of the taxation years. The use of indicators such as these would involve an even greater time lag than the current method using the C.P.I. Further, I cannot see how salary or tax information could be used to provide quarterly indexation.

In the second place, the goal of the indexation of benefits is to maintain the purchasing power of pension benefits and protect pensioners from the effects of inflation. On the grounds of equity, it would be nice if pensioners could share in the increasing prosperity of the Canadian economy. However, it has been estimated that to increase OAS/GIS benefits according to increases in average wages and salaries would have cost us over $100 million in 1979. As most hon. members know by now, the government has chosen to adopt a policy of granting assistance to persons most in need. Thus, instead of granting assistance to all OAS pensioners—some of whom have enough income to disqualify from receiving GIS—we have chosen to direct funds only to GIS pensioners. If we were to have changed, at this time, the vehicle for indexing benefits, there might not have been sufficient funds for the $35 per household increase that we approved in this chamber last week.

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

Some hon. Members: Question!

Mr. Knowles: Question!

Mr. Peter Lang (Kitchener): Mr. Speaker, I have just a minute or two left in which to make a few observations on this subject. I say the motion does not help those who need help the most. So it is not in line with what the Liberal government did when it brought down its proposal to increase the GIS by $35 a month. Furthermore, it would tend to worsen the plight of pensioners on fixed incomes, and do so in the following way: by increasing government spending we increase our deficit and accelerate inflation, and inflation hits the pensioner the hardest. This motion disregards the cost of such a program to the taxpayer.

Mr. Knowles: That is what Dunning said to Woodsworth.

Some hon. Members: Six o'clock!

• (1800)

[*Translation*]

The Acting Speaker (Mr. Ethier): It being six o'clock, the hour provided for the consideration of private members' business has expired. I do now leave the chair until 8 p.m.

At 6.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): Order, please. When the debate was interrupted at five o'clock this afternoon, the motion for second reading of Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, was under consideration, and the hon. member for Edmonton-Strathcona (Mr. Kilgour) had the floor. The hon. member for Edmonton-Strathcona not being present, I will recognize the hon. member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be brief, but I do want to say a few words about this. I have always worried about giving the government a blank cheque, and that in essence is what we are doing at this time. I can recall on other occasions in another place discussing similar kinds of legislation, and it worries me when the government asks, as it does here and it does traditionally, for authority to go into the marketplace to borrow money at any time subject only to the approval by itself.

The government is saying that it wants us in the House of Commons to allow it go to any part of the world to borrow in whatever amounts it requires up to many billions of dollars—$12 billion, to be exact—and to borrow in funds of any country from which it wishes, and to repay in those same funds. It makes no reference to how it will be responsible to this House. We have to understand that in this year 1980 and into the year 1981 we are dealing in the House of Commons with expenditures of a new government for which there has not yet been a budget.

We are dealing with expenditures of a government which has not yet presented to the House of Commons any indication of how it intends to spend taxpayers' money and how it intends to finance the ongoing programs of government. What we are being asked for today is somewhat unusual. We are being asked, prior to seeing what the government's expenditures are going to be or how it intends to finance its expenditures or how it intends to raise its money or how it intends to pay whatever portion of the deficit it may accumulate over the next 12 months, to authorize extensive borrowing. If not from here, at least from elsewhere my understanding has always been that prior to the government's asking for such authority it normally places before the House of Commons or the representatives of the public its intentions with regard to how it proposes to deal with the finances of the country or of the jurisdiction. We have no budget, we have no economic strategy, we have no clear program for reducing the deficit, and we have no employment strategy. We do not have any idea which area of the world the government intends to turn to in order to do its borrowing. We do not know at what rates of interest it may be interested in borrowing money. We do not know how it intends to pay it back.

We have no idea where the Canadian dollar will stand vis-à-vis other currencies in the world, and yet we are being asked tonight to authorize government borrowing of up to $12 billion.

However, and more importantly, the government has abdicated its responsibility with regard to fiscal policy in any event. It has said that we are going to pursue the same basic fiscal policies of the United States. It has handed over to the governor of the Bank of Canada absolute carte blanche—

Mr. Evans: That is monetary policy.

Mr. Deans: I am coming to that—with regard to monetary policy, so that at this point there is absolutely no responsibility on the part of cabinet for the monetary policy of the country.

Mr. Evans: That is totally false.

Mr. Deans: The governor of the Bank of Canada at the same time has turned around and said that he will allow interest rates to float in whatever way they may during whatever period of time he is in office.

In fact what we are doing is saying we are prepared to give to this government, which has run up substantial deficits, the right to continue to borrow for whatever programs it deems are necessary at whatever rates of interest and from whatever countries, without we or the government—"we" meaning the House of Commons—having any jurisdiction over any aspect of monetary or fiscal policy.

● (2010)

Mr. Blenkarn: Hear, hear!

Mr. Deans: Thank you. Nice of you to drop by. I needed your help.

Let us put this into perspective for a moment. I think it would be more appropriate if the government, first of all, were to tell us what it intends to spend in ball park figures and with what goals over the course of the next year.

Mr. Blenkarn: Hear, hear!

Mr. Deans: Thank you. Before the government asks for authority to borrow, they should tell us what it is their budget is likely to contain. That is the first point. The second point is that the government should then set out for us, at a time of considerable economic stress, what their strategy is for dealing with the economic problems of this country. I think the government should establish for the House of Commons and the people of Canada how it intends to deal with the ever-declining economic conditions of this country and how it intends to use the necessary strengths that the House of Commons has given the government in order to try to develop a new and more progressive economic strategy. I think we have to learn from the government how it intends to raise whatever it intends to raise in order to begin a program of clearing up, over a long period no doubt, the deficit position in which we continue to exist. I think we are entitled to know from the government how it intends to deal with the ever-increasing unemployment in the country so that we can see who is going to pay the bills, and how the people are going to pay the taxes which will have to be levied in order to pay back the $12 billion that will be borrowed.

An hon. Member: You talk like a Conservative.

Mr. Deans: No, I am not a Conservative. I am talking about common sense.

Mr. Blenkarn: You are talking about sensibility.

Mr. Deans: I want you to know that the Conservatives and common sense are, generally speaking, poles apart.

I suggest to you, Mr. Speaker, that at this point in time it would be very difficult to convince the public of Canada, given what we do not know about the expenditure programs, about the fiscal and monetary policy, or what we do not have before us about the government's intentions in these important areas, that it is appropriate for the House of Commons to turn over to the government the authority to borrow.

Mr. Blenkarn: Blank cheque.

Mr. Deans: It is funny; that is the term that I used when I started. Had you been here, you would have heard it.

That is what worries me about it. I do not see how any government can ask for approval to borrow money until it tells us, at least in general terms, what that money would be used for. I do not see how the government can legitimately expect that the House of Commons would give approval to the government to go out and borrow this money without any understanding of how this government proposes it would repay that, over whatever period of time and in whatever way. I can recall the debate in which I was involved some years ago when the Ontario government borrowed in Germany in Deutschmarks. Perhaps for the first time in the Ontario government's history, it borrowed in foreign currency.

Mr. Blenkarn: This bill allows them to do it.

Mr. Deans: Having borrowed in foreign currency, it discovered that not only did it have to repay the principal plus the interest agreed, but when it took into account the disparity in the value of the dollar—a considerable reduction had taken place in the time that it had the use of the money—it discovered that the actual interest rate it was paying was almost twice as high as the rate at which it would have been able to borrow the money on the North American money market. Incidentally, those were fiscally irresponsible Conservatives.

I want to suggest that, therefore, when this government puts into this piece of legislation that it should be given the authority to borrow in foreign money markets, you must understand that what the government is saying is that the effective interest rate must also take into account the value of the Canadian dollar in the money market and that the effective interest rate will undoubtedly be considerably higher, if all the current trends continue, than we would expect to pay were we able, with careful management over a period of time, to self-finance.

I want to say to the government that I think this is an inappropriate piece of legislation at this time. At least, I think that portion of this legislation is inappropriate. I am not so dumb I cannot understand that governments from time to time require to borrow just as other people do, and I am not pretending for a moment that I do not approve of the government borrowing money from time to time in order to finance long-term projects. I am not suggesting for a moment that we

are able in any society to self-finance on an immediate cash flow basis. But I am suggesting that when we see a piece of legislation without knowing exactly the intent of the government with regard to expenditure and revenue, and when we see a piece of legislation which allows for interest rates about which we have no idea, when we get this from a government that has no real control over the monetary policy of the country, and when we see a rapid deterioration of the Canadian dollar against other currencies, and then we see the Canadian economy suffering as it is now suffering at the hands of multinational corporations which frankly do not care that much about what happens in Canada, and when we see people unemployed and unable to pay their share which they must ultimately pay if we are going to be able to repay these loans, and when you see the government bringing in, as it did this afternoon, a piece of legislation dealing with employment which in fact does not even begin to address the major problems which confront the majority of constituencies across the country from the east to the west coast; when you see all of those things happening and you understand that the unemployment that we are currently facing will continue to rise, then you have to ask yourself, where are we going to get this money from and at what rate of interest? You have to ask yourself, how are we going to pay it? What are we going to pay? What are we going to use as collateral? What do we have that other people need?

Mr. Blenkarn: The savings of our older people.

Mr. Deans: We have energy that other people need. We have certain natural resources that other people need. We have certain natural benefits, water being one of them, that other people need. What is it that we are going to mortgage away over the next ten or 20 years? I would like to know the answer to some of those questions because, frankly, I believe that it would be better if the government were to come to the House of Commons quarterly and ask for permission to go into the money market and raise whatever capital they require on that basis. I would much prefer that we agree to divide this bill so that at the end of the first quarter the government may have borrowed a quarter of what it requires, and at the end of the half year it may borrow another quarter, and so on, so that it is answerable to the House of Commons, having to come back to the House and justify its expenditures and its borrowing, its interest, and the depreciation of the dollar. I would suggest that an appropriate amendment to this might be made at some point in the future which would make the government answerable to the House in that way. I am really not prepared, as one member at least, to give the government carte blanche. I am not prepared to say I accept as a matter of course that the government will handle this borrowing appropriately, that it will not misuse it as it has in the past, that it will borrow with care and consideration, that it will get the very best deals, and that analysts will do an analysis of what the money trends will be at this time as opposed to what they were last time. Quite frankly. I feel that this piece of legislation, although no doubt it is necessary to give the government power to borrow, is asking for too long a period. I do not deny that it may be tradition in the House of Commons, but tradition is something we can change. It asks for too much too soon. I would much rather the government reconsider it and came back with a piece of legislation which enabled us in the House of Commons to look much more critically and much more carefully, not only at the expenditures, but at the way in which it is going into the marketplace, the rates of interest, and the actual total dollars it would have to pay. For those reasons I feel very reluctant to see this piece of legislation passed.

• (2020)

Some hon. Members: Hear, hear!

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I do not want to fight the February election all over again.

An hon. Member: You lost.

Mr. Wenman: No; as a matter of fact I won. In fact the message from western Canada was very clear. One of the obligations I must fulfil is to express the concern that at least western Canadians feel about the size of government. In the last campaign I campaigned largely on the basis of fiscal responsibility based on restraint in government spending and a gradual reduction of the national deficit. That was the basis of every speech I made. It was the basis of my campaign material, and the basis upon which the people of my constituency voted for me. Therefore, it is absolutely essential that I should stand up and object when in fact the people of my riding in western Canada are getting just the opposite.

Extending the authority of government to borrow lessens the will, the necessity and the capacity of government to repay and work toward balanced budgets and reduced national debt. In 1980 western Canadians voted against increased government spending and deficits. They voted for an end to the paternalistic control and domination of the manufacturing base of central Canada and domination of the manufacturing base of central Canada and the federal government. Somehow in western Canada there was in fact a double protest vote this time. It was more than just against large central government; it was against the paternalistic central control of big government. I think that needs to be recognized particularly at this time in the House.

This is a bill which further centralizes economic power through the onerous burden of escalating national debt. This bill can only add more fuel to an already growing sense of western alienation. The roots of western alienation or separation are complex and difficult to express. The roots are historical, geographical, sociological, emotional, traditional, but, above all, the roots of separatism in the west are economic. Western alienation is not a new phenomenon. Perhaps in the past the roots have been a bit dry and weak, but in the 1980s, watered by new economic powers in the west, they are blossoming forth with an identity that must be listened to, and must be understood. This must be responded to in the same way that Quebec has been heard and, hopefully, will be responded to, again with more than this traditional paternal pat on the head with some token words about responsible

Canadianism. Somehow in the west we are not supposed to say anything. It is somehow unCanadian if this comes from the west.

Specifically, what are the kinds of things the west is talking about? The question always comes up: "What are you complaining about? Do not tell us you are mad, angry, upset or that you do not like this. What specifically do you want?" Of course the question of oil pricing is paramount. But just to list a few, there is interference in the resource control management, unfair freight rate systems, inadequate transportation systems, inadequate incentives to process upstream, that syndrome of the hewers of wood and drawers of water. In addition there is insufficient access to the United States and Pacific rim markets in terms of the products we produce, lack of secondary industry and lack of representation on national boards and institutions. Somehow in the west they feel the great potential that is there is wasted, unrealized and held back. The reality is that westerners feel at this time politically impotent, ignored and exploited by both Ottawa and Bay Street.

Central Canadians have dominated the Canadian economic and political scene for so long it seems to anyone who comes from the west to central Canada that everybody believes it is his natural right to continue to do so. But I want to tell this House that central Canadian feudalism ended with the total rejection of the Liberals in western Canada, just as surely as it ended in Quebec with the election of Rene Lévesque.

Mr. Kaplan: Temporarily in both cases.

Mr. Wenman: I hope they are temporary in both cases, I really do. But if we take them lightly and pass them off, neither will be temporary. In fact they will become a reality. If the Government of Canada does not get the referendum message from Quebec, I can promise that it certainly will from western Canada. We often talk about "the true north strong and free". We stand up and sing about it, but the western part of this nation is strong and free also. We intend to remain that way. We want the understanding of the Quebec referendum and of the 1980 election clearly understood. We want to see a strengthening in a renewed confederation, a renewed confederation which recognizes the coming of age of western Canada.

Some people keep saying that it is just a few, that it is the lunatic fringe out there who are talking in terms of western alienation toward the centre. I used to think that perhaps that was true. In fact, approximately three or four years ago I sent out a questionnaire to my constituents, like so many others. I asked in that questionnaire: Do you want your province or region to remain as a part of Canada? At that time I was pleased with the response. I sent out some 45,000 and 95 per cent of the people who responded to that questionnaire said, "Yes", we want our province or region to remain within Canada. But I sent the same questionnaire out last month. I should like to report to the House of Commons tonight that it was the same basic group of people responding to the same question 3.5 years later, but this time it was not 5 per cent, but 14.7—15 per cent. There was a 300 per cent increase in western separatist sentiment in British Columbia over the last three years.

An hon. Member: It is your fault.

Mr. Wenman: It is the fault of members opposite because they are not listening. It is not because of the way I am talking in the House. I have been here five years and I have never stood up and said that. I have tried to say that 95 per cent wanted to stay. I was not worried about it then, but I am worried about it today. I am very worried about these results. I believe them to be so. It is true that a lunatic fringe was speaking approximately six years ago. At least, we thought that is all it was. We passed them off, and I passed them off as a member of Parliament, but today in western Canada these are the businessmen and the men on the street. The number is increasing, no doubt. Dick Collver represents a certain sentiment which is much stronger in western Canada now than it has been in the past. It needs to be recognized.

• (2030)

An hon. Member: That is the trouble with the Liberals; they do not listen.

Mr. Wenman: The concern that I have with my questionnaire is not just that we had an increase of 300 per cent, from 5 per cent in favour of complete separation to 15 per cent, but that 76 per cent of those who responded answered yes to the second question which was, "Do you wish British Columbia to negotiate a new status in confederation?" They want a new status for their province in confederation. That is pretty loud, pretty strong, and pretty clear to me, and hon. members opposite better hear it.

An hon. Member: They laugh on the other side.

Mr. Wenman: I see that. Again it is the central Canadian indifference. How can I tell you, Mr. Speaker? Do not underestimate it. We might be small in numbers in this House of Commons but we are the elected representatives of the people in British Columbia and we are telling this government how things are. Speaker, after speaker has pointed out that this feeling is on the increase. It is not just a popular issue but a deep seated concern. Perhaps the Quebec referendum gave people the courage to say, "Yes, I feel that way too." There is some kinship between the people of Quebec and the people in western Canada.

It may be asked, what does Quebec want, what does British Columbia want, what does Ontario want? Perhaps to start with we should talk about what British Columbia wants.

British Columbia wants recognition, Mr. Speaker, of the fact that the strength of Canada lies in the total sum of its individually strong parts. That is a pretty important basic fact of nature in Canada that must be realized. Westerners, like individualists, feel that the strength of Canada lies in the sum of its individual parts, and to keep the centre strong does not require the usurping and sapping of the strength of the parts

but, rather, the opposite; the centre is as strong as realization of the potential of its parts.

I am concerned that this bill is a centralization of economic power through the onerous burden of increased and escalating national debt. I see a little response from the other side. It seems to be a doubt, a wonderment.

An hon. Member: They are asleep.

Mr. Wenman: Sometimes we think they are asleep too, but there was a little response indicating, "Oh, come on now, it is not that bad." I see that response. Why can the paternal central government of Canada, instead of seeing the west with resentment or as something to take, not see us as a potential source of strength in the growth of this nation? Why can it not see the potential that is here?

Mr. Blenkarn: They don't believe in that.

Mr. Wenman: We in British Columbia are proud to be native sons of Canada. Why can the centre not take pride in us as we take pride in being Canadians? Instead of taking pride in us why does the central government just try to take from us? Why do they fear us? Why keep confronting western Canada; why keep fighting us? Why does the minister continue doing that?

An hon. Member: Name calling.

Mr. Wenman: Why do they not work with us to protect our resources from both international and national exploitation? Why should western Canada not expect the central government to help protect our resources from those other parts of the nation that are clamouring to steal our financial base? Why should we not feel we have the right to protection from the central government rather than exploitation? That is what concerns me, Mr. Speaker, because that is the attitude with which we are faced.

The potential of the west is just beginning to show as is the potential of the Pacific rim. I could list so many things in Vancouver and British Columbia that do not need subsidies. We are not looking for a subsidy mentality in British Columbia; we are looking for an investment mentality. We are looking for a recognition of investment in the Pacific rim. We are looking for a new face, a new western face for Canada. That is why the initiative started with the Pacific conference was good. The Prime Minister (Mr. Trudeau) has said that is to be carried on. Mr. Speaker, we do not just want it carried on, we want it to grow like a snowball, to get bigger and stronger. We want the government to work on the Port of Vancouver. We want that bill to be passed in this House in order to give some autonomy to the western region. One of the architects of the bill is from the west. We want a trade and convention centre that can be a showcase on the Pacific face of Canada.

Somehow, in western Canada we get the feeling that we are a bunch of lumberjacks or something, and there is nothing wrong with that. We are very proud to be the lumberjacks of Canada, the hewers of wood and drawers of water. Those are things to be proud of. But some people think it ends there, that we do not need a symphony or an art gallery, so that somehow our symphony gets a little less than the eastern Canadian symphony and somehow our art gallery is forgotten. We want those attributes of Canadian society and we expect equalization in that sense as well. We want the commitments made by the previous Liberal government, the Conservative government and this government, carried out to establish these amenities, as well as the investment in the development of this new Pacific face. We wonder about the constant subsidization mentality that is particularly prevalent in central Canada.

I wish we could get to the point where there was no subsidization in respect of cars in western Canada; in other words, that there was not a special pricing policy in western Canada. They are more expensive in western Canada and that is the special price; the double standard. There are not just two standards in time, there is the eastern standard and the western standard for prices. We do not ask that the price of our cars be subsidized but then we should not be asked to subsidize the price of gas for the east. That is exactly what is happening again, and again and again to the tune of billions of dollars. That is what a lot of this debt is for. That is what this borrowing is for; it is borrowing to exploit the west.

An hon. Member: Right on.

An hon. Member: $17 billion.

An hon. Member: That is the way to create unity.

Mr. Wenman: That is right, it is the way to create unity. If the hon. member thinks we should keep these things festering and not have them out, here in the House of Commons, then he is mistaken. We have been put down enough. I am tired of being put down and told that I am not supposed to express these concerns for western Canada. They are real, Mr. Speaker.

An hon. Member: You had better start listening to them.

An hon. Member: You are a dreamer.

Mr. Wenman: Somebody says I am a dreamer. If I am dreaming that there can be a better position for British Columbia in this confederation, if I am dreaming that the west cannot get a better deal out of confederation, then I think the hon. member had better watch out. He better be careful. Those are the sorts of words that are going to drive the west out of confederation and drive those splinters deeper and deeper.

My friends on the left had better hear what Premier Blakeney has to say. He says the west's resource wealth should be used to initiate a vigorous manufacturing sector because secondary industry provides more permanent jobs and greater spin-off into job-creating service areas than resource development.

Some hon. Members: Hear, hear!

Mr. Wenman: I like that too. It is the NDP and the Conservatives who have the base in the west and we applaud that kind of talk. We like being the hewers of wood and drawers of water but we also want an industrial base.

What does Premier Lougheed say? He says that decisions are going to be made more in the regions.

An hon. Member: Boo.

Mr. Wenman: Why would a member boo a premier of western Canada in this House of Commons? Can you imagine that, Mr. Speaker? I hope my colleagues from Alberta who heard that booing of the premier of Alberta report it to him. That was right here, in the chamber of the House of Commons. Talk about unity!

● (2040)

Will you hear what Premier Lougheed has to say or will you continue booing him down?

An hon. Member: Give us the punch line.

Mr. Wenman: Well then, listen. Premier Lougheed says, "Decisions are going to be made more in the regions; not just political decisions but economic decisions will be made in the west. We are going to have stronger regions and a stronger country because the regions are strong." That needs to be recognized, but it does not seem to be recognized here. What does Premier Bennett say?

Mr. Deans: You're getting worse.

Mr. Wenman: It is interesting how I am willing to recognize all western leaders, because the leaders of all the provinces are saying the same thing, but the NDP are not willing to listen. Why not listen to Premier Bill Bennett of B.C.? He speaks for the people of that province because he was elected with a majority government.

Mr. Evans: Who do you speak for?

Mr. Wenman: I speak for my constituents.

An hon. Member: We speak for the people of Canada.

Mr. Wenman: My constituents are people of Canada, and we want to remain as people of Canada. But with your attitude and your division-causing ways, the country will take a long time to heal. Listen to what Premier Bennett has to say and take his message. If you do not want to take my message, you can take that of Blakeney, Lougheed or Bennett.

An hon. Member: Speak on your own.

Mr. Wenman: Premier Bennett says, "Energy resources will be the cornerstone of his province's growth strategy for the 1980s, but if the federal government dips into the B.C. gas revenues, it could mean a further $50 million penalty to the people of B.C. and it could make it difficult for us to carry out our policy of lessening our dependence on oil.

These aspirations are not hard to understand, nor are they anything but reasonable and responsible under any form of renewed federalism. Provincial control of resources is seen as the primary instrument to redress the balance. But recent federal actions and court decisions challenge their control. Only western resources are singled out to be sold in Canada at less than world prices. No one imposes a federal export tax on Ontario or Quebec exports of hydro energy. No one subsidized Saskatchewan when it had to pay four or five times the Ontario price for electricity. No one in the east suggested a national subsidy or equalization of gas prices when it was more expensive in the west than in the east. That is very real among the people on the street.

There are those in the government who have the fantasy of twinning with members from the west. I wish you would come out west and hear what is being said. This bill thwarts the aspirations of the west by overcommitting the tax resource of Canada to the federal government. Any hope that moneys accruing to the federal government would be returned to develop the resource potential of the west seems slim indeed—in fact, even slimmer as I stand here tonight and listen to the response of the government. Almost all the evidence so far indicates that the fat eastern standard and the slim western standard continue with such things as subsidies, protective tariffs, government waste, central government patronage and so forth.

Let me give an example. This House was in an absolute crisis for two weeks while we worried about the jobs in the car industry. It is good that this House should worry and should be concerned. The government came forth with a guarantee of $200 million. That $200 million would provide a ratio of $1 billion in investment and would save 15,000 jobs. At the time there were discussions that Ontario's contribution would be between $10 million and $50 million. I want hon. members to remember those figures because they represent the eastern standard.

Now, let us look at the western standard. We are not talking about $1 billion in investment, but about $5 billion, five times as much, for developing the coal industry in British Columbia. They are talking about $75 million on a $1 billion investment. The federal government offers some $70 million and expects the British Columbia government to pick up the rest. The British Columbia government is forced to say "I guess we will have to go it alone as usual". That is the kind of standard this government has toward the west. Based on the eastern standard of five to one, the government should invest $1 billion to British Columbia's $5 billion.

If the government were to do that it would not just be subsidizing or maintaining jobs that are questionable, but investing in the most viable industry in the world right now, the energy resource industry, and the great coal resource of British Columbia. But you drag your feet, and when you come out west you cannot understand why the British Columbia government complains. You feel that because you have offered some $70 million the British Columbia government should say, "aren't you wonderful". We are talking about a $1 billion

capital investment requirement and you say that you are doing us a favour by offering some $70 million.

The minister spoke this afternoon and talked about creating a few jobs which would cost anywhere from $1,000 to $22,000 per job to create. I am glad he is concerned about those jobs as we all are, but why did the minister apply the strategy, that the jobs which that money would create could be created with the same investment in coal and related energy products in western Canada, if we could but apply the eastern standard to the west?

Too often it seems that not much has changed since 1938 when the then government of British Columbia stated that approximately 80 per cent of the manufactured commodities imported into B.C. are from eastern Canada while 75 per cent of our main primary products are sold in open competition in the world markets. This means that B.C. has to buy in a protective market and sell in an unprotected market—in other words, buy the dearest and sell the cheapest. Still we compete, but imagine what we could do if the federal government reduced those tariffs.

My hon. colleague from West Vancouver, Howe Sound, stood up here and fought you on the steel tariff. Day after day after day no one listened to him. In my riding all kinds of jobs were lost because of these eastern and western standards. How many days have been spent in this House discussing the potential of the British Columbia coal dig—how much concern, how many hours of cabinet time? The jobs are sitting there waiting. The largest market in the world, the Pacific Rim, is sitting there waiting for Canada to begin to participate.

The majority of people who I represent do not want to join the Collver movement to join the United States. They do not want to separate from Canada. What they want is to rejoin Canada, and 78 per cent want a new deal, a better deal for British Columbia and all the regions within confederation. Central to these very real aspirations is the sanctity of the resource base as a building block toward growth in the west. How can Canada assume this vast new debt we are talking about tonight, unless there is some thought in the cabinet of trying to steal the resource base revenue of western Canada?

If this government feels that somehow it received a mandate in the last election to equalize, steal, take, borrow or share the resource base of western Canada in another form of equalization, they completely missed the message and they have completely underestimated the depth of the feelings held by most western Canadians. This is the kind of miscalculation that could lead to severe stress and a break up of this nation. Surely the government learned from the Quebec referendum and from the 1980 election that the message of both Quebec and British Columbia is that it must respect the aspirations of the regions of Canada.

If the government forces this bill through the House and proceeds to borrow more and spend more because it has a majority government, then it will only lead to trouble. You throw good money after bad in subsidizing uneconomic industries in central Canada, and fail to develop the secondary industrial base of western Canada. Surely some of that money, and we are talking about billions of dollars, should be spent on new jobs and new industries in western Canada.

● (2050)

When the minister responds, if he does, let him tell us how he plans to do this. We hear this request echoed here and over there. What we are concerned about is, being asked to pass the bill before we have heard what the bill is going to do. Would the minister stand up and tell me that the government is going to recognize the potential of the west and is going to develop the secondary industry, that it is going to work in partnership with British Columbia to develop a common front that it will meet the entrepreneurs of the Pacific rim, the Japanese, the Asian nation representatives and develop the west?

Talk about the excitement of the west; it is an exciting frontier and it has an exciting potential. If the minister can tell me that he is going to do those things and tell me how much money the government is going to give us to do it, then I might have to reconsider my position. History has told us that that will not happen. I hope history can be proven wrong.

My hon. colleagues who spoke before me have already asked this question again and again. I wonder if it will be heard. The government does not choose to tell us what it is going to do with the $12 billion. This is the same group that defeated the Conservative budget then promptly reintroduced most of its measures. This is the same group that protested interest rates while in opposition and let them rise unimpeded once they returned to their cosy chairs on the other side. This is the same crew who criticized the Conservative finance minister for seeking borrowing authority before introducing a budget. The same bunch is asking us in Parliament and the Canadian people to trust them. "Trust us", they say, "and we will look after you". They have certainly looked after us. They have done such a good job that they are asking us for more money than ever before to bail them out of the huge deficit of their own making.

The interest on the public debt has grown at an average rate of 17.7 per cent over the period 1969 to 1979. It has increased at a rate of 22 per cent since 1974. So the Liberal government has looked after us since 1979, to the point that interest costs amount to 15.4 per cent of federal government expenditure. The record is tragic indeed.

The Conservative government was going to operate on a borrowing requirement of $8.2 billion for a full fiscal year, yet still offering within that package a mortgage and property tax credit. The people of my riding voted for those too.

An hon. Member: What about the 18-cent tax?

Mr. Wenman: And the people of my riding voted for that too. They found that acceptable. They understood the issue in western Canada. That is what I am trying to tell hon. members.

An hon. Member: That is what you told me; that you were rich.

Mr. Wenman: We are rich? I think we are all rich in Canada, but the basic richness of Ontario is that it is the major benefactor of all of this confederation.

Mr. Malone: That is why the Liberal beachhead stops at Winnipeg.

Mr. Wenman: That is exactly right.

Where is the relief for those who need it the most? The economy is in trouble with no shining light at the end of the tunnel. All the government can do is continue on the same old path of subsidy. I was so disappointed in the western minister today, namely the minister of immigration. Humanist and fine man that I know he is, either because of his liberal leanings or because he is not far enough west yet, he cannot catch the excitement of western Canada and its potential. He should have looked for the creation of new jobs in that section or region with its potential.

I am introducing a private member's bill. As part of the legislative program. It seeks to limit federal government expenditure to a fixed percentage of the gross national product. With this I would hope to ensure that government spending would always be present to ensure a proper functioning of the economy without being so great as to stifle productivity.

Until we realize that government spending will not cure all of our ills, that massive borrowing will not solve problems it created in the first place; until that time comes one cannot expect to realize the full economic potential which our country possesses. With the bill I am introducing to restrict government spending, it would in fact impose a limit relative to the gross national product. Ideally, of course, such a limit would also apply only to provincial governments, but those kinds of arrangements are outside of the authority of this House. As it presently stands, there is plenty of room for improvement within the federal government alone.

Federal government expenditures rose from 17.8 per cent of the gross national product in 1970 to 21.3 per cent in 1978. There is quite simply nothing to prevent the federal government's expenditures from rising to 30 per cent, 50 per cent, or even 75 per cent of the gross national product except, of course, that the government would have to borrow more money to do so. That is exactly what we are being asked to approve here today.

How much will the government borrow next year? Will it be $16 billion or will it be $20 billion? Where is it all going to end? Are we to expect the provinces to limit their spending when they are witnesses to the magnanimity of the federal government freely tossing around the money of Canadians? It is unfortunate that the government should have to pass a bill to limit its own excess. The government should be responsible enough to do that without legislation.

I had the naive belief that Parliament was supposed to play the watchdog role. Unfortunately, Parliament has little role to play in the control of expenditures. The government has unfortunately seen to it that certain fiscal matters are above the authority of Parliament. Now it would appear that we cannot even debate spending proposals because the government has no intention of telling us what it wants to do with the $12 billion. The government has no intention of bringing in a budget until after this bill is passed.

Mr. Malone: Just keep coming back to the trough.

Mr. Wenman: Obviously there has to be some level of external control. Part of that control is in fact this debate in the House of Commons tonight.

In conclusion, I would like to remind hon. members that one of the bases of western alienation is the growth of the central government. This bill promotes that growth. Because this bill presents the growth and the abuse of unlimited spending, I do not feel I can support this bill. I look forward to hearing the minister's response in this regard.

[*Translation*]

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, today I should like to refute the reproaches addressed to the government by the financial critic of the opposition in his speech last week. My remarks will go from the general to the particular. Speaking generally, I shall start by explaining why the government needs borrowing powers and why the House should approve the bill now before us. I shall also give a certain amount of information in answer to the specific question put by the hon. member for St. John's West (Mr. Crosbie) within the scope of the study of this bill. I shall close my remarks with a few observations on more general matters raised by the hon. member and other colleagues.

[*English*]

I would like to start by stressing, contrary to the assertions of the hon. member for St. John's West, that the Minister of Finance (Mr. MacEachen) has been quite forthcoming with this House. In his statement of April 21, he presented a projection of the government's fiscal position for 1979-80 and 1980-81 to Parliament for the consideration of the borrowing authority bill. This statement was intended as part of that background information.

The minister was very conscientious to make this projection available to the House at such an early date. Parliament had only been sitting for a week when the minister made his statement. I would suggest this is indicative of the high priority which the minister attaches to keeping Parliament informed on the government's fiscal position.

The hon. member for St. John's West has criticized the Minister of Finance for not presenting a fiscal plan to Parliament. He also suggests that the minister should bring down a budget by late June. Surely of all the members in this House, the hon. member for St. John's West should appreciate the difficulty of putting together a fiscal plan.

Mr. Blenkarn: Feed us a budget. Why can you not bring one in?

Mr. Evans: This is not something that should be done in great haste. It is important to take the time to do a proper job.

Some hon. Members: Oh, oh!

Mr. Blais: Order.

• (2100)

Mr. Evans: In response to the comments being made at the moment by hon. members opposite, I suggest that is the reason the hon. member for St. John's West waited some seven months before bringing down his budget.

There are complicated issues of expenditure planning which must be resolved. There is the envelope system of expenditure management which was established by the previous government. I believe this system is a major improvement over its predecessor, however if it is to function properly, the cabinet committees involved must be given time to prepare strategic plans and carefully consider the issues before a fiscal plan is finalized by cabinet. Hon. members opposite are surely aware of the time it takes to resolve a matter of this importance.

Another difficult issue is that of energy pricing. I need not remind hon. members that the previous government sought to establish an energy price agreement with the provinces and still had not succeeded in finalizing it some seven months after taking office. The present government is now involved in the process of negotiation with the energy producing provinces. It is important not to create an atmosphere which will make the negotiations more difficult.

[*Translation*]

The minister will table his budget when he feels these matters have been dealt with satisfactorily. The financial strategy of the government will be part of this budget. I cannot predict just when the minister will table his budget. For the time being, however, I should like to return to the reasons we are seeking authority to borrow $12 billion. In his statement of April 21, the Minister of Finance indicated that he expected financial requirements of $11.7 billion for the fiscal year 1980-81. This figure was based on the current structure of revenue and expenses. The minister had also emphasized that setting up a blended price system for oil could in itself reduce the financial requirements by up to $1 billion. Should this saving occur, it is clear that the financial requirements could come down to $10.7 billion. Therefore, the financial requirements range from $10.7 and $11.7 billion.

[*English*]

We are seeking a $12 billion borrowing authority to allow us to meet these financial requirements and to allow us some margin for contingencies. I believe it would not make much sense for the government to plan to seek borrowing authority more frequently than once a year. Hon. members will have adequate opportunities to debate on the estimates and on the budget, to express their views on the government's financial policies without having to allocate scarce parliamentary time to a more frequent consideration of borrowing authority bills.

I turn now to answers to some specific questions raised by the hon. member for St. John's West. Then I will turn to answer some specific questions raised by other hon. members.

First with respect to updated figures on the precise burden of the oil import compensation program, it is true that the minister undertook to provide these figures to the House. The reason that these figures were not provided to the House more quickly is that it took some time to do a thorough costing of the program. As a result of this costing, it has been estimated that the recent increases in the international price of oil would raise the oil import compensation program to $3.32 billion this year and would increase the deficit on the petroleum compensation revolving fund out of which the Syncrude subsidy is paid to $275 million.

There were also questions about indebtedness and public debt charges. As of March 31, 1980, the outstanding stock of treasury bills was $16.3 billion. The stock of domestic marketable bonds was $32.9 billion. The stock of Canada Savings Bonds was $18.1 billion.

Mr. Blenkarn: That is as of what date?

Mr. Evans: As of March 31, 1980. Of the marketable bonds outstanding, approximately 28 per cent could be characterized as long term, meaning that they have a term of maturity of over ten years. Of the $72.2 billion in unmatured debt outstanding, $67.5 billion is payable in Canadian dollars and $4.7 billion is payable in a foreign currency.

Public debt charges in 1980-81 were estimated by the minister in his April 21 statement to be in the order of $10,750 million. This represents 17.8 per cent of the total government outlays and 3.7 per cent of gross national product. The current estimate of the outcome for public debt charges in 1979-80 is $8.6 billion, the same as that contained in the budget of the hon. member for St. John's West. Final information will only be available in August and we will be glad to provide hon. members with the final figure at that time.

[*Translation*]

The hon. member also asked what percentage of the funds—

[*English*]

Mr. Blenkarn: On a point of order, Mr. Speaker. I wonder if the parliamentary secretary can confirm what he said, that the amount required to borrow this year will be $8.6 billion.

Mr. Evans: No, Mr. Speaker. The figure that I gave, the current estimate of the outcome for public debt charges in 1979-80, the year ending March 31, 1980, is $8.6 billion. That figure was given in the budget of the hon. member for St. John's West in December, 1979. That is what the $8.6 billion refers to.

[*Translation*]

Mr. Speaker, the hon. member also asked what percentage of the funds will be borrowed by the government on the capital market and from the public pension plan. The funds will be entirely borrowed on the market. The borrowing authority

provided in the bill under consideration does not take into account the increase in commitments with respect to the public pension plan which should assure to the government $2.3 billion during this fiscal year.

[*English*]

I will now respond to a few general issues raised by the hon. member for St. John's West. First, the hon. member quoted with approval Mr. Carl Beigie's statement, as reported in *The Globe and Mail*, that Canada will not begin to solve its inflation problems until the federal deficit is reduced. The hon. member appears to believe that this view distinguishes him and Mr. Beigie from the minister.

To disabuse him of this notion, I would suggest that he re-read the April 21 statement. The minister was clear in saying that he was "particularly concerned to ensure that government deficits and financial requirements diminish as economic growth resumes." I share this concern.

The hon. member for St. John's West correctly noted that the government has authority to borrow to replace previously issued securities and asked what implications this had for the borrowing authority. He made particular reference to the redemptions of Canada Savings Bonds since April 1, 1980. The net Canada Savings Bond redemptions have amounted to about $1.3 billion to date in the current fiscal year and, therefore, the government has had to raise this amount of cash from other sources. The source of these new funds has been the issuance of marketable debt with a particular reliance on treasury bills. This switch in the source of government funding from Canada Savings Bonds to marketable debt has not provided any new net cash to the government, nor has it used up any portion of the $2.9 billion of borrowing authority which was outstanding on April 1 of this year. The hon. member states that there was $2.9 billion of unused borrowing authority outstanding on November 1 of 1979 and which was available to be carried forward. However, the Minister of Finance has stated that this was still the case on April 1, 1980, and the hon. member would like to know the facts. The facts are that the Borrowing Authority Act, 1979-80, introduced by the hon. member last October to provide the government with $7 billion of supplementary borrowing authority contained a clause stipulating that the new authority came into force on November 1, 1979. Consequently, all new moneys raised between November 1, 1979, and March 31, 1980, were charged to this authority and the $2.9 billion of unused authority obtained earlier and which was outstanding on November 1, 1979, was left intact. Since all unused authority provided—

• (2110)

Mr. Blenkarn: A point of order, Mr. Speaker. Can the parliamentary secretary tell us how much was raised on the authority for the $7 billion between November 1 and March 1?

Some hon. Members: Order!

The Acting Speaker (Mr. Ethier): Order. The hon. member for Ottawa Centre.

Mr. Evans: I am sorry to inform the hon. member I do not have that information with me but I will make a commitment to get it to him at the earliest possible opportunity.

Since all unused authority provided by the 1979-80 act was cancelled on March 31, 1980, the government has charged all new moneys raised in the current fiscal year, that is, since April 1, 1980, to the $2.9 billion which was carried forward from a much earlier borrowing authority. So far in this fiscal year the government has borrowed $1.645 billion through treasury bill issues and $1.625 billion in marketable bonds including an issue sold May 13 for delivery on June 1 and net CSB redemptions have been $1.35 billion. In addition, the equivalent of $357 million Canadian was drawn on our stand-by credit in April. The hon. member for St. John's West has asked how the government plans to raise the $12 billion being reflected in this borrowing authority.

Mr. Blenkarn: How much is left?

Mr. Evans: I am sure the hon. member can appreciate that in financing the cash requirement the amount of cash raised through the issue of various types of security in Canada varies from year to year and depends on prevailing economic and financial conditions. The actual debt program for the past two fiscal years illustrates how the cash requirements have been met in the past. This is illustrated in a table entitled Cash Requirement and Sources of Financing which I intend to have tabled in the House.

In 1978-79 foreign exchange transactions substantially reduced the cash requirements and the $8.8 billion debt program resulted in a $1.9 billion addition to cash balance. In fiscal 1979-80 foreign exchange transactions had almost no impact on cash requirements and these were financed by a run-down in cash balances which had been built up in the previous year and a $7.9 billion debt program. In 1979-80 a greater use was made of treasury bills and marketable bonds than in 1978-79 and there were net redemptions of CSBs over the fiscal year. In fiscal 1980-81 we do not plan to make much use of cash balances to finance cash requirements. Consequently, we plan to raise all the cash requirements in the capital market. Since the government has for some time being playing down the role of Canada Savings Bonds we do not expect to raise much new money from this source during fiscal 1980-81. We have also been making more use of the treasury bill market in this year. Consequently, we expect that the proportion of the debt program met through the issue of treasury bills will be larger than in the past two fiscal years and the proportion met through issue of marketable bonds will be closer to that in fiscal 1978-79.

[*Translation*]

The hon. member asked what we intended to do about the Canada Saving Bonds and about the volume of redemptions that the government could absorb. I agree with the hon.

member that the government should continue to resort less to CSB issues and that is exactly what it has been doing since 1974. The proportion of outstanding CSB issues relative to the whole amount of the debt in Canadian dollars has dropped from a high of 43 per cent in 1975 to somewhere in the range of 27 per cent now.

[*English*]

The hon. member asked how many CSB redemptions we can absorb. So far this fiscal year net redemptions have amounted to about $1.3 billion and this amount has been paid out of our cash balances. In recent weeks we have offset virtually all of this cash drain through our borrowing operations in marketable securities. Very recently net CSB redemptions have fallen off rather sharply, which to a large extent reflects the sharp decline in interest rates that has largely eliminated the gap between interest rates payable on competing financial instruments and on outstanding CSB issues. We expect that the CSB redemption problem is over.

The hon. member for St. John's West also asked how much of the government's indebtedness was in the form of various types of instruments, how much was short-term debt, how much long-term debt and how much is payable in foreign currencies. The answers to these questions are provided in the Bank of Canada Review. However, I will briefly provide an outline of the current debt structure as at the end of March, 1980.

GOVERNMENT OF CANADA DIRECT AND GUARANTEED SECURITIES

($ millions)

Payable in Canadian Dollars		%
Treasury Bills	16,325	23
Marketable Bonds	32,939	44
CSBs	18,189	26
Total	67,453	93
Payable in Foreign Currencies	4,701	7
	72,154	100

The average term to maturity of the government debt is seven years, two months. This compares with three years, eleven months at the end of 1974. Excluding loans and CSBs, 49 per cent of their direct and guaranteed debt had a term to maturity of less than three years, 17 per cent a term of three to five years, 6 per cent a term of five to ten years and 28 per cent a term of ten years and over.

The hon. member asked how much of the domestic debt program was taken up by the Bank of Canada last year and how much will be taken up in this current fiscal year.

● (2120)

While I cannot forecast who will buy the government's securities over the balance of this fiscal year, the following table, which I will read to the House, provides the distribution and changes in holdings of marketing securities for 1979-80 and up to March 21 of this year. As of March 31, 1980, the Bank of Canada held 14.6 per cent of the domestic marketable Government of Canada securities. As of May 21 of this year it held 12.7 per cent, a drop of 1.9 percentage points. The government accounts held 1 per cent as of March 31, 1980, and as of May 21, 1980, it was down to .9 per cent. Chartered banks held 9.7 per cent as of March 31, and as of May 21 held 10 per cent, an increase of .3 per cent. The general public held 24.5 per cent on March 31, 1980, and now it holds 27.9 per cent as of May 21.

As the figures reflect, the major purchases of government debt this fiscal year and the last have been by the general public. So far in 1980-81 the Bank of Canada has been a substantial net seller of Government of Canada securities.

The hon. member for St. John's West has stated that the interest costs on the foreign debt last October were $326 million and has asked what they are now and what are the net interest costs.

In answer to the first question, these interests costs are substantially unchanged from what they were last October. The specific net interest costs, however, are difficult to determine at this time. To the extent that the foreign currencies raised by these loans are maintained in official exchange reserves they are invested in short-term U.S. dollar government securities. To the extent that the U.S. dollars are converted to Canadian dollars through foreign exchange operations the Canadian dollars are deposited with Canadian chartered banks where they earn 90 per cent of the current Treasury bill rate. In this latter case, government cash balances are increased, and this offsets the need to borrow in Canada.

Most of the foreign currency loans were made in 1978 and early 1979, and since official U.S. dollar reserves are currently around $1.8 billion, most of the proceeds are either deposited with Canadian banks where they currently earn around 10.35 per cent or have been spent to offset borrowing in Canada at current high levels.

The U.S. dollars in official reserves earn interest at a level of around 8 per cent. Much of the interest cost on foreign loans is below these levels.

With that as a background and in an attempt to respond as fully as possible to the questions raised by the hon. member for St. John's West I would like to turn to commenting on some of the questions raised by other hon. members, first of all the hon. member for Edmonton East (Mr. Yurko) in his statements on Bill C-30 late last week. I would like to quote passages from the statements of the hon. members and then try to give a frank appraisal of the answer which can be brought forward with regard to each of these statements.

First, the hon. member for Edmonton East stated, and I quote:

> Rather interestingly, in this new Parliament what has now been given to us in the economic statement is an indication that the federal level of spending in relation to the gross national product will grow by 2 per cent in one year from approximately 20 per cent of the gross national product to 22 per cent of the gross national product.

This is simply not true. As the hon. member for Edmonton East will see when the budget is presented, federal government

expenditures or a percentage of GNP will remain in the same range they have been in since 1975.

Slight fluctuations may occur in either direction due to the changes in gross national product, but the hon. member can be assured that they will not be in the order of 2 percentage points.

Mr. Wilson: Mr. Speaker, I am sure the hon. parliamentary secretary would not want to mislead the House with that last statement he just made. I think the statement he likely should be adding to that is that one of the reasons the percentage figure has gone down is the very substantial increase in government spending that the Minister of Finance announced in his so-called mini-budget earlier in this session.

Mr. Evans: No, Mr. Speaker, as the hon. member mentioned, I would not want to be accused of misleading the House or mislead the House in any way. However, the facts of the matter are that the statement was made by the hon. member for Edmonton East, and I have responded to that statement with our best estimate of what will happen to federal government expenditures as a percentage of gross national product. We are saying that at the end of this fiscal year they will be in the range that they were in 1975, and they will not be increasing by anywhere near 2 percentage points over what they were in the last year.

There is another statement to which I would like to respond, if I might. The hon. member for Edmonton East has indicated, and I quote:

> The federal debt has risen to dangerous proportions.

I have heard this being stated by a great many hon. members opposite during the debate on Bill C-30. Well, the net debt will be at 26 per cent of gross national product in 1980. That is net debt. This is not a dangerous proportion of gross national product. In fact, it is below the 27.7 per cent of gross national product which was the case in 1966 and far below the 33 per cent to 34 per cent range recorded during the period from 1957 to 1962 when hon. members opposite formed the government.

The hon. member for South Shore (Mr. Crouse) raised an issue, and I will quote from his statement as follows:

> Since the April 21 statement projected cash requirements of $11,730 million why is the Minister of Finance asking for $12 billion? Furthermore, there is also the $2.9 billion unused borrowing authority which is being carried forward. These two authorities, in effect, would provide the government with $14.9 billion of borrowing authority.

Then the question the hon. member asked was the following:

> Why does the government need this amount when the cash requirement is only $11,730 million?

As I mentioned earlier in my speech, the $12 billion of borrowing authority now being requested is related to the government's cash requirement. There is also a need for contingencies such as borrowings in foreign currencies should the need arise from foreign exchange operations. This does not imply that such a need is imminent or that the government has any preconceived level for the value of the dollar. It simply is a margin for contingencies should any arise. Furthermore, all unused borrowing authority provided by Bill C-30 will be cancelled on March 31, of 1981.

In his statement before the House—I think it was on Friday—the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) made a statement that I think should be responded to as well, and I quote:

> In fact in 1969 this government had a surplus of $605 million. In one decade the situation has changed so that we now have a deficit of $16.185 billion.

Being a member of the public accounts steering committee, the hon. member for The Battlefords-Meadow Lake should know that the 1978-79 fiscal year figure of $16.185 billion is not a true representation of the fiscal position of the government.

It merely results from recording accounting adjustments in one year which had occurred during a number of previous years. The true figure was presented by the hon. member for St. John's West in his last budget, and that figure, as we all know, was $12.103 billion.

Later in the debate as well the hon. member for York-Peel (Mr. Stevens) made two or three statements which I think deserve an answer.

● (2130)

First, and I quote:

> In the spring 1980 review, the Friedland Mercantile Group . . . set out the comparative CPI figures, the wholesale increase figures and the current account positions with respect to ten of the most industrialized nations in the world . . . The first chart deals with the consumer price index. It ranks Canada sixth among the ten.

While I cannot comment on the validity of the consumer price comparisons of the Friedland Mercantile Group review except to say that the statistical methodology varies from country to country and from statistician to statistician, however, in the latest issue of the highly respected periodical *The Economist*, Canada is ranked fourth out of ten at 9.5 per cent on a year over year basis for the latest month available, only slighly behind West Germany at 6 per cent, Holland at 6.5 per cent, Japan at 8 per cent, and far ahead of such countries as France at 13.5 per cent, Italy at 20.5 per cent, Sweden at 13.5 per cent, the U.S. 14.5 per cent and the United Kingdom at 20 per cent inflation. The hon. member for York-Peel also said:

> For example, what that review highlights is the tremendous imbalance of taxation in this country compared to that of the United States. I refer to page 136 of the review, table 11.22.

We are here to debate Bill C-30 which concerns federal government borrowing, but the hon. member for York-Peel will notice that table 11.22 of the economic review to which he refers indicates that the federal Government of Canada spent a full percentage point of GNP less at 21.5 per cent than does the federal government of the United States at 22.5 per cent.

An hon. Member: In what year?

Mr. Evans: In the year referred to by the hon. member for York-Peel.

Finally, I should like to refer again to the hon. member for York-Peel who said:

—there is an international comparison of central government expenditures on page 135 of the review at table 11.21. It is interesting to note that there is only one country that has a higher central government expenditure than Canada.

With due respect, the hon. member for York-Peel must be reading his copy of the review upside down. It is clear from page 135 of the review to which he referred that Canada is tied with Switzerland with the lowest central government expenditure at 21 per cent of GNP, and far below the average of 31.5 per cent of GNP for the nine countries that are listed in that review.

An hon. Member: Tell us the whole story.

An hon. Member: That is misleading, John, and you know it.

Mr. Evans: The hon. member for St. John's West has asked in his statement before the House, in referring to the Minister of Finance, what is he going to do? He said the minister should not just come to the House and ask for $12 billion and refuse to tell us or give us any indication of what he is going to do. I will simply refer the hon. member for St. John's West to the estimates that have been tabled and reviewed by this House and that indicate what the spending plans are for the government.

Mr. Blenkarn: I rise on a point of order, Mr. Speaker. I hate to say this, but the parliamentary secretary is certainly misleading the House. The President of the Treasury Board (Mr. Johnston)—

Some hon. Members: Order.

Mr. Blenkarn: —when introducing the estimates that were tabled in the House—

Some hon. Members: Order.

Mr. Blenkarn: —specifically said that the estimates do not indicate the spending plans of this government. If they indicate the spending plans of the government, we are happy, but the President of the Treasury Board said they did not.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Mississauga South (Mr. Blenkarn) will realize that other hon. members have been calling for order. The first question is the language, which may or may not be parliamentary, and I would like the hon. member to give it some thought. The second question is that the hon. member seems to be entering into a debate, not a point of order. Under the circumstances, I think I should recognize the Parliamentary Secretary to the Minister of Finance (Mr. Evans).

Mr. Evans: Mr. Speaker, the estimates, until modified, are the official spending plans for this government, and until the supplementary estimates have come in. Every government, not only brings in the main estimates, but brings in supplementary estimates. Members opposite, when they were in office, also brought in main estimates and supplementary estimates. As soon as supplementary estimates are brought in, the main estimates are no longer the official spending estimates of the government. But until those supplementaries are brought in, the main estimates represent the spending plans of the government. There are always supplementaries as conditions change.

The Minister of Finance of this government is concerned about the deficit. I want to make that point extremely clear and I hope the gentlemen opposite are listening. He is working hard to prepare a budget, but you know as well as I do that this depends on the development, as I have said earlier, of a fiscal plan to ensure the kind of equalization mentioned here tonight, for example, by the hon. member for Fraser Valley West (Mr. Wenman), and it depends also on agreement on a national energy policy. Until we have these, a budget simply would not be appropriate. Regional schizophrenia and other things are what I have been hearing throughout this debate on Bill C-30. I hear on the one hand from hon. members that we should reduce the deficit—and we agree we should reduce the deficit and the minister is working on ways to reduce it—and on the other hand we hear a call from hon. members opposite to spend more money on their particular regions. You cannot have it both ways; you cannot reduce the deficit and increase spending at the same time.

Some hon. Members: Hear, hear!

An hon. Member: Listen and learn.

Mr. Evans: I should like to conclude by saying that we must all look at the nation as a nation. If we are to reduce the deficit, we must all share the burden. If we are to have vibrant regional development, we will all have to co-operate on priorities. The budget that the minister is now preparing will attempt to allocate equitably the burden of deficit reduction and honestly realign national priorities.

Tonight I have tried to answer a great many questions that were raised by hon. members opposite with regard to borrowing authority and what the debt position of the government is, as well as to some extent what the government spending plans are without the presentation of a formal budget. I think the time has come for us to move forward on this bill and get on with the business of the House in looking at legislation that is extremely critical, and to stop the kind of delaying tactics that have been used and will be used tonight and tomorrow to stop the passage of a bill which is a fair and honest bill, a bill of borrowing authority the same as ministers of finance have brought down in every government in the past. I think we should get on with the bill, pass the bill and move to other pieces of business.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. I wonder if the parliamentary secretary could answer some questions. Could he tell us, as of the end of May—we are now in June and perhaps he has those figures—or, shall we say, as of May 15, what Canada Savings Bonds are outstanding, what ordinary market bonds are outstanding, what ordinary bonds held by the Bank of Canada are outstanding—

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the hon. member again but the hon. member for Mississauga South is not, in my understanding, raising a point of order or an appeal to the standing rules of the House. It has been known that when an hon. member has some remaining time in his speech, with his permission, another hon. member, such as the hon. member for Mississauga South in this instance, might want to put a question. But there must be a limit to that. So, the Chair will recognize a question hopefully composed of not too many parts, and then it will be time to move on to the next hon. member.

● (2140)

Mr. Blenkarn: Mr. Speaker, I presume the Parliamentary Secretary to the Minister of Finance (Mr. Evans) spoke tonight in order to answer a number of questions asked by hon. members on this side. Unfortunately he did not answer all of the questions. I was hoping that we could impose upon him sufficiently to answer some of the questions which I think not only members on this side but the people of Canada would like to have answered.

Mr. Evans: Mr. Speaker, I rise on a point of order. I think the number of questions which seem to be in preparation by the hon. member opposite could not in any way, shape or form be answered verbally in the House tonight. I would request that the hon. member submit the questions to me. I will prepare answers for the hon. member, and I will return them to him at the earliest possible opportunity.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, I have a question for the parliamentary secretary.

The Acting Speaker (Mr. Blaker): Order, please. I regret to inform the hon. member for Mississauga South (Mr. Blenkarn) that I must agree with the parliamentary secretary. I tried to leave some room for a quick exchange on a point of clarification, but again the hon. member for Mississauga South seems to indicate that he has quite a series of questions in mind—

Mr. Blenkarn: I have one simple question.

The Acting Speaker (Mr. Blaker): —that does not fit within the rules of the House. We have tried it twice, and I am afraid the Chair will have to move on and recognize the next hon. member.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I was trying to seek Your Honour's attention just for a brief clarification. It is not worth writing letters back and forth, but I wonder whether the parliamentary secretary would answer it. If I tallied up his statement properly, the parliamentary secretary is saying that Canada is in debt to the tune of about $72 billion of secured debt at the present time. Over and above that $72 billion will be the $12 billion which is being requested at the present time. Is that correct?

An hon. Member: For a total of $84 billion!

Mr. Evans: Mr. Speaker, my understanding is that on a net debt basis that is what we are talking about. That is a net debt basis, and I think the hon. member should understand the distinction between net debt and gross debt.

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to begin by complimenting the Parliamentary Secretary to the Minister of Finance (Mr. Evans) for answering a good many questions tonight. But I must say to him in all seriousness that I think he spoiled the effect of his speech by accusing the opposition of delaying tactics. I would suggest to him with deference that perhaps because members on this side of the House have quite rightly refused to give the kind of blank cheque the government initially seemed to want, he came forward tonight in a very constructive manner and gave what I thought was a very good speech. Had he or his minister been a bit more forthcoming initially, I believe there would have been a lot of time saved in this House and a lot of hon. members on this side of the House would have been spared the time and effort of putting very valid questions forward, which he has only just now answered.

I was very interested in the content of the speech of the parliamentary secretary. He is quite right when he talks about the difference between the net debt and the gross debt. As hon. members know, in fiscal 1980 the net debt amounts to $67 billion as I understand it. This is the gross public debt minus certain assets. These assets normally include such items as repayable loans to Crown corporations and national governments and equity investments like Petro-Canada and the Canadian Development Corporation. But I believe that in fiscal 1980 the gross debt was $105 billion which indeed is a great deal of money. Following what the President of the Treasury Board (Mr. Johnston) said, I also understand that the gross public debt charges for fiscal 1981 will amount to $10.3 billion and as I think he said tonight, 17.7 per cent of budgetary expenditures.

These matters are very esoteric to most of us. I do not pretend to understand all the subtleties of finance. I was always told that if your outgo exceeds your income, your upkeep will be your downfall. I understand that, but also I understand that there has been a great increase in the total amount of public debt since I first came to this place nine years ago. Whether we get into proportions of debt or not, vis-à-vis the GNP, it is fair to say by way of emphasis that the amount of the deficit now is as much as the total budget was when I first came here. Whether or not this is as alarming as it sometimes seems when one relates it to the proportion of the GNP, I leave that to the judgment of my peers here in the House. But nonetheless it is a striking figure.

In looking for historical parallels and wondering just how the Liberal party conducted financial affairs in its early days, I looked at Canadian Quotations and Phrases, Literary and Historical. That is not hysterical, but historical, compiled by Robert M. Hamilton. Wanting to be fair and equitable, I looked through the section on the Liberal party, wanting to

find the good and the bad. I found some fairly complimentary things that were said with some justification. For example, I found a quote by William Lyon Mackenzie King when he was speaking to his Liberal supporters in August of 1919. It reads as follows:

> The Liberal party will continue to stand as its illustrious leaders stood in the past, for unity, good will and the open mind.

That is a fine tribute, but I looked forward to see if I could get something that was a little more objective than the assessment of the leader of the party, however, related to the kind of spending and fiscal and monetary capacity this party exhibited back in those early days. I was fortunate enough to come across something which was featured in a supplementary to The Montreal *Gazette*, a paper with which Mr. Speaker is familiar, back in 1891. It is a quotation from *The People's Almanac*. I will read it just for a little bit of change in pace in this debate tonight to see what the assessment was of the Liberal party by *The People's Almanac*, regarding its financial management capabilities away back before the turn of the century. It reads as follows:

> See the faces of the Grits.
> Grizzly Grits,
> What a woe-begone expression at present o'er them flits.
> They are thinking, thinking deeply
> How to run this country cheaply
> And they wonder
> How in thunder
> It is going to be done.
> But the people—they who vote—of their twaddle take no note,
> For they know the dismal, dreary, direful dole
> Of the Grits
> Of the moribund, morose and melancholy
> Grits, Grits, Grits, Grits.
> The greedy, grubby, garrulous old Grits.

Now, I would never say anything like that myself, but I thought it might be worth while to put it on the record from such an objective source as The People's Almanac. Despite the fine speech made by the parliamentary secretary, I believe there is still a bit of room for constructive criticism and suggestion as to how some of this vast sum of money, the $12 billion, might be allocated.

The hon. parliamentary secretary, to do him some justice, answered a lot of questions, but he quite properly added in response to comments from this side of the House that of course there are some details which have to be filled in yet. However I think one of the things he said that is interesting before we get to that stage, was the bit of information which he gave us, if I took it down properly, that we owe $4.7 billion or close to $5 billion to foreign countries payable in their own currencies. Having in mind the state of the Canadian dollar relative to most of the countries where we do our borrowing these days, such as the United States, Switzerland and West Germany, I presume that that $4.7 billion in effect means a lot more indebtedness than it would first appear. To be fair about it, I suppose there must be a discount there of at least 15 or maybe 20 per cent when we have to pay those funds back. When the parliamentary secretary is answering more questions, as he indicated he would do, I wonder if he might give us the premium we will have to pay. This leads me back to the point the hon. member for Hamilton Mountain (Mr. Deans) made in his speech as to why we need that particular, explicit authority in clause 2 of the bill, if we have already managed to incur that kind of a debt. Perhaps it is related to trade, I do not know. As you know, Your Honour, subsection 2 states very clearly that this government does want authority, for greater certainty that they can borrow, in effect, currency other than that of Canada. I would hope that until our currency improves a little bit more in terms of its relative value to most others they would not avail themselves of that option—that if they already have it they would refrain from doing it and that if they get it, they will use it very carefully.

● (2150)

I think it was the hon. member for St. John's West (Mr. Crosbie) in his always quiet, persuasive way, who pointed out that we were away behind value in most currencies in the world, including the Zambian kwacha. Whether we owe any Zambian kwachas or not, I do not know but I hope not.

I believe that in considering the large amount of money this government is requesting—and properly so—it would be in order for a member such as myself to make some suggestions about how some of this money—which is about $5 billion more than the former minister of finance, the hon. member for St. John's West required last fall—might better be spent by this administration as they bring forth their budget and prepare their special estimates.

It seems to me, for example, that recent events on the international scene indicate very clearly that if there is one place where the Canadian people would find it advisable to see their hard-earned, borrowed money, spent, it would be in the improvement of the capabilities of this country to defend itself and to take a proper place in the defence of the western world.

I know these figures have been put on the record before and I do not propose to take up much of the time of the House but it seems that when talking about GNP, percentage of spending and so on, these figures issued by the Institute of Strategic Studies in London on the military balance which are fairly new, might be interesting to hon. members.

The percentage of government spending of our budget in 1979 was 8.6 per cent, less than it has taken to service our national indebtedness by far. On the other hand, the United States which carries the burden of our western defence, spent 21.6 per cent; the United Kingdom 11.5 per cent; the Netherlands 9.1 per cent; Sweden, a supposedly neutral country, 8.4 per cent and Czechoslovakia 7.1 per cent. I know it is very difficult to precisely relate the percentages for some countries, particularly those in the eastern bloc which sometimes bury their military expenditures in other ways.

The percentage of the GNP, which is another way of expressing the priorities of these countries that I picked out at random in reporting their military spending, indicates that 1.8 per cent is all that this country spends; United States 5 per

cent; United Kingdom 4.7 per cent; The Netherlands 3.3 per cent; Sweden 3.4 per cent and Czechoslovakia 3.8 per cent. It is evident we are not doing our part. We are a nation, small in population, that controls a very large percentage of the real estate on this planet and a disproportionate amount of its natural resources. I say to you and to my colleagues, Mr. Speaker, that unless we are kidding ourselves we cannot believe that we can even patrol the treasure house we have in the north, much less defend it.

I certainly hope in considering what is going to be done with these funds the government is asking Parliament for, that very serious consideration be given to doing something about protecting the future of this part of the continent. If one can take seriously the reports emanating from different parts of the world, the Soviet Union is now in a very, very interesting position. Their military machinery, their electronic capability, the relative disarray of the west, puts them in the position where, between now and 1985, they might be very tempted indeed to go to some other type of military adventure.

Surely every country in the western world including ours, in particular, as we are so close to the United States and so deficient in meeting our own defence commitment, has an obligation to do something quickly to send out signals showing that we are prepared to act.

Henry Kissinger was interviewed for an article in *Time* magazine recently. As he was one of the principal architects of détente it is interesting to note that he said it is absolutely imperative to get across to the Soviet Union that their definition of détente is simply unacceptable. He said their definition of détente is to be committed to defeat the United States peacefully and that they would either have to accept that they could not undertake a geo-political offensive or would have to give up détente. He went on to list some of what the Soviet Union has done since 1975: Cuban troops in Angola; Cuban troops in Ethiopia; Soviet bases in South Yemen, Ethiopia and Libya; for the past few years the Soviet occupations of Afghanistan, the Vietnamese occupation of Cambodia under the cover of a friendship treaty, and a Soviet brigade in Cuba which he claimed happened after 1976 no matter what nonsense is being put out.

In a recent magazine article *Maclean's* magazine reminded us of the grizzly anniversary of the massacre in Katyn Forest in Poland which up to this point the Soviet Union has tried to blame on Nazi Germany. It is becoming clear that it was perpetrated by the Soviets.

I only mention these things to show that in my humble opinion there is much to be said for the definition that Winston Churchill gave of Soviet diplomacy at a time when he was holding all parliamentarians enthralled with his picturesque and accurate speeches in various parts of the western world. I do not know where it was he made the observation that the Soviet Union's diplomacy is like a burglar in a hotel: They go down the hall trying every door until they find one that is open.

The détente policy and the way we have been conducting ourselves has been an open-door policy but the doors have all been opened into our resources. I believe that some $60 billion has been loaned to the Soviet Union by western financial institutions. I doubt if they can service the interest on that debt, since we are talking large figures tonight, so what is going to happen about that?

I am trying not to stray too far from the bill before us, Mr. Speaker. I want to make my feelings known to hon. members opposite, however, regarding the priorities they might seek to establish for this rather large amount of money they are asking this House to give them.

Regarding another priority, I should like to quote some words of the parliamentary secretary—"a vibrant regional development priority"—or policy, I believe is what he said. As he said, we cannot have it both ways—we cannot cut the budget and spend money at the same time. We can re-examine our priorities, however, even if it is almost a cliché to say that it is a good idea to spend money in order to make money.

The Minister of Regional Economic Expansion (Mr. De Bané), whose aims and philosophies I support, spoke eloquently in this House in a rather unusual fashion not long ago when he made a public plea to his peers for more money for regional development. It is interesting to note that in the priorities of this government, this department, which is perhaps the newest major department to be created in the last ten years, was once the recipient of about 2 per cent of the budgetary allotment of the government; it is now barely half that. Its thrust has been changed. The legislation that governs its use is becoming almost obsolete. Surely the RDIA, which is the basis for these grants, must be changed to bring them in line with different practice and to make sure there is adequate lead time to do this. The minister knows this and I knew it when I was minister. We were proceeding to bring forward legislation to improve the operations of DREE. That is not enough, however; additional funds will have to be found for DREE if it is going to continue to have a useful role in developing this country.

● (2200)

It is ironic that the transfer payments have been going up dramatically while DREE declines. That is not all bad, but the amount available for DREE has been going down, which shows again that the proportion of money that this government has available to create the wealth which some departments are so anxious, and properly so, to distribute to our people; that this amount of money is disproportionately larger than the amount of money which goes to departments like Industry, Trade and Commerce and DREE to develop our country.

Surely this is a situation that must be looked at in the context of the large amount of money which is being borrowed. As large as the deficit is and as large as the amount which is being borrowed is, I am not as concerned about the fact that it is being borrowed as I am about the way in which it will be spent. Sometimes in the past I think that this government had an edifice complex, not an oedipus complex, and that has to stop. These fine and imposing buildings like the Bank of Canada building, are very nice and very energy inefficient, but they do not do much for the productivity of our country. The

Bank of Canada building is nothing more than an elaborate financial temple. It is probably as elaborate, if not more elaborate, than those in any country of the world. I see that it is past ten o'clock. Thank you, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Blenkarn: Mr. Speaker, I would like to know from the government what the order of business is for tomorrow. Can it confirm that the business for tomorrow will be continuing the debate on Bill C-30?

Mr. Turner: Mr. Speaker, it is my understanding that we will continue to debate Bill C-30.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CIVIL DEFENCE—REQUEST FOR NEW EMPHASIS ON POLICIES AND INCREASED BUDGET

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Clark) and indeed the Prime Minister of Japan have all stood before this House and warned that we are entering a dangerous decade fraught with instabilities and deteriorating super power relations. The global build-up of arms is a reality. Widespread proliferation of weapons and technology is becoming an increasing reality. The accelerated efforts of both our friends and potential foes to provide protection for their civilians against nuclear threat is a further reality.

We are all charged to work toward global peace, and we can take pride in the fact that Canada's history as a peacemaker is internationally recognized. But to pretend that the nuclear holocaust will not or cannot happen is to lose touch with reality. Worse still, it is shirking our responsibility as members of Parliament toward the people of Canada.

It is certainly not the fault of the Canadian people that civil defence is so misunderstood. In other countries of the world governments have ensured that their people have the maximum amount of safety and are well versed in emergency measures in the case of nuclear war. I am sure that many hon. members saw the television show on Sweden which talked in part about the underground parking lots which were built to also act as fall-out shelters. Yugoslavia, Finland, Norway and Switzerland have similar programs for their citizens. China has the capacity to move most of its millions of citizens in Peking underground in a matter of minutes.

It is reported that the Soviet Union has spent $65 billion on civil defence in the last ten years. In the United States new plans are being announced and accelerated for mass evacuation of cities in the event of a world crisis. In Britain recently, the House of Lords devoted seven hours of debate to the subject of civil defence. The French Senate called recently for a new and accelerated program for their nation.

However, we in Canada still cannot find out who is the minister of civil defence. In fact, we find that all ministers are ministers for civil defence, but no one is really in charge of civil defence policy and planning. There is no mention of what are the roles of the members of Parliament, the cabinet ministers, the municipal government or the provincial government. It is all very muddy and unclear with each government shifting the buck back and forth.

There is far too much at stake to allow this kind of indifference and this state of unorganization. A congressional committee in the United States estimated that in the event of a nuclear attack on targets in the United States only, there would be two million casualties in Canada. At the present time in our current state of preparedness, a nuclear attack on Canada as well would wipe out over half the population of this country—over half of 23 million people, which amounts to 11 million Canadians. That number could be reduced considerably if the government were to take appropriate action similar to any of the other allies or even our potential enemies.

● (2205)

Some military people say we are being optimistic with those terrible statistics. They argue that Canadian cities would be prime targets. If there were in fact nine prime targets in Canada, that could be a threat to half of our population. If 100 people were threatened and we knew about it in this House of Commons, we would be outraged and calling for action right now.

I direct this question to you, Mr. Speaker. Do you know what you would do if a nuclear bomb were to drop in downtown Montreal? Would you know how to direct the citizens in your riding? Would any member in this House of Commons know what to do as a responsible leader in his community if there were a nuclear attack? I do not think so. I do not think the person who will respond to me can tell me even after he has researched the subject.

We are in an appalling state of affairs with respect to civil defence in Canada. The Prime Minister knows where to go. He has told us; he has his bunker. Some of the cabinet know. They have their protection. There are about 7,000 people out of 23 million who can find a place of reasonable safety in a nuclear war. But what about the other 23 million? There is no place for them, no protection for them and there is no plan for them.

We spend billions of dollars. We just spent $4 billion on planes, guns and tanks. How much do we spend on civil defence, I think it is $1.9 million. The figure is about $2 million. The ratio in $2 million to $4 billion, the amount spent

for planes. Civil defence has become a nonentity in Canada unfortunately.

For the past seven years since October, 1973, when the Government of Canada announced that there would be changes in the emergency planning structure within the federal government, there has been almost deadening silence about what the government intends to do. One of the problems stems from the fact that no single minister of the Crown has clear responsibility for civil defence preparedness. Heightening the difficulties is the division of responsibility among the federal government, the provinces and municipalities. Perhaps civil defence must be decentralized. But surely this refers only to the post-attack phase, not to the program policy-making and planning that precedes a nuclear war. To slough off responsibility on to the provinces is to abdicate one of the primary roles of a central government—of any government—to protect its citizens in time of war.

It is clear that the federal government is passing the buck in terms of its responsibilities for civil defence.

The Prime Minister on Friday, May 16, said that he had not received a request for increased civil defence funds nor did he believe that increased funding was necessary. Where has he been among the leaders of the world? I would not like to say that the Prime Minister was misleading. He did not seem to be referring to the true facts of the situation. The Prime Minister did not mention that the federal government has undercut the federal-provincial financial assistance programs to such an extent that the provinces today can scarcely devote any attention to war preparedness. Yet, the Deputy Prime Minister in his response last Wednesday placed the responsibility for implementing existing civil defence plans, such as they were, firmly in the hands of the provinces.

Is the Prime Minister aware of the fact that the Department of National Defence is responsible for establishing public information programs for use in an emergency—just brought up to date—and that the emergency broadcasting system is not reinstated? Their siren system must be enlarged to provide coverage for expanded urban communities, and evacuation plans need to be established in our major cities in any type of war.

There are so many things that need to be done. Canada is not ready. Canada's concern for its citizens must come up to that shown by other countries of the world. Other countries have shown a desire to face the unfortunate reality. It is time that Canada did the same.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, the statement that responsibility for detailed implementation of the necessary plans is in the hands of the provinces, and that public works and national defence are the federal departments having the most direct responsibility, is indeed correct. Public Works Canada has responsibility for carrying out planning at the federal level for protection of the population of Canada against the war time effects of radioactive fall-out from nuclear weapons. This work is being carried out under the national shelter program. At the present time, emphasis is being given to completing surveys of fall-out protection inherent in existing buildings.

• (2210)

Information collected by these surveys is made available to provinces and includes the levels of fall-out protection in existing buildings throughout Canada and the people capacities of these buildings, having regard for natural ventilation and physically usable space. These data together with detailed population distribution by city block and small area, constitute the key ingredients to development of both provincial master shelter plans and the more detailed community shelter plans. The work of planning for protection of people certainly points to significant involvement by provinces and communities as well as the federal government.

Provincial master shelter plans and community shelter plans already exist for New Brunswick, Nova Scotia and Prince Edward Island, but the major planning work for the rest of the country has yet to be accomplished, and this can only be achieved if the provinces concerned are willing to co-operate actively in the planning. Although the major survey work across Canada is expected to be completed by the end of 1980, it will take significant effort and resources to bring to fruition the balance of the necessary plans and arrangements that would reduce the vulnerability of Canadians to the effects of radioactive fall-out under nuclear war conditions.

The hon. member opposite decries the confusion and lack of ability of the various jurisdictions to get together. Perhaps the hazard that he speaks of, the threat that he calls to mind as a result of changing world conditions may motivate the various jurisdictions in this country to pull together. At a time when the first ministers are getting together to talk to a total review of our constitution and governmental arrangements, this question is timely and should be on the agenda as this level of government considers its role vis-à-vis the other levels of government.

In conclusion, civil defence cannot be solely a federal responsibility. Provinces and municipalities must of necessity be involved in development of emergency plans affecting the health and well-being of people, whether they be wartime emergencies or peacetime emergencies.

EXTERNAL AFFAIRS—REUNIFICATION OF FAMILIES—REPRESENTATIONS TO U.S.S.R.

Hon. John A. Fraser (Vancouver South): Mr. Speaker, on May 20 the hon. member for Eglinton-Lawrence (Mr. de Corneille), speaking from the government side of this House, moved the following motion:

> That this House strongly urge the Soviet government to fulfil its undertakings in regard to the provisions of the Helsinki Final Act, specifically those calling for the reunification of families, and to allow the Jewish refusenik, Lev Ovsishcher, to emigrate to Israel.

The motion was seconded by the hon. member for Burlington (Mr. Kempling), a member of my party. I congratulate the House because the motion received unanimous consent, which is unusual. That indicates some expression of regard for the

seriousness of the issue that was raised. On May 26, I raised the matter in a question to the Secretary of State for External Affairs (Mr. MacGuigan). I would like to speak for a moment about Lev Ovsishcher. He was born in Russia in 1919 and was raised as a boy in the city of Minsk. When he was 17 years of age, in 1936, he enlisted in the Soviet army in which he served loyally and with distinction for the next 25 years. He rose to the rank of colonel and retired from the army in 1961.

It is a sad commentary on human events that today in the Soviet Union it would appear to be government policy to denigrate the patriotism of Soviet Jews. Colonel Ovsishcher's military record was outstanding. He was wounded in action at Stalingrad and fought in many of the major battles on the Russian front, including the defence of Moscow. At the end of the war he had received 17 medals for extraordinary bravery and efficiency as a soldier in the terrible struggle to repel the Nazi enemy.

● (2215)

Colonel Ovsishcher emphasized the patriotism of Russian Jews in a speech he made in 1976 quoting statistics well known to the Soviet government. He pointed out that more than half a million Soviet Jews bore arms against the enemy during World War II. Of these, 150 rose to the rank of general. One hundred and seventy thousand Russian Jews were awarded medals or citations for bravery and 160 received the title "Hero of the Soviet Union" for extraordinary valor and devotion to duty. These Jews fought for their homeland, Russia. To us, it seems extraordinary that today only because some of them wish the right to emigrate to Israel they should be cast as traitors to the state.

Colonel Ovsishcher applied for an exit visa to Israel in 1972 and stated his desire to emigrate to that country. The harassment which has become commonplace in such cases commenced immediately. He was deprived of his rank of colonel. He was demoted in his place of employment. His mail was intercepted, his telephone calls disrupted and in 1973 his telephone service was discontinued. Government agents searched his apartment, Yiddish and Hebrew books were confiscated and he was interrogated numerous times by the KGB.

Colonel Ovsishcher defiantly reminded the authorities of his civil rights under the constitution. The harassment continued and in June, 1975, he was advised that he would not be allowed to leave for Israel for at least another three years. As of today, he is still not allowed to emigrate to Israel, unable to join his daughter who is now there.

After the war ended, Colonel Ovsishcher returned to his home in Minsk where in March, 1943, the Nazis executed 5,000 Russian Jews. He and other veterans erected a memorial to that evil act in memory of the victims. This year, as in past years, ceremonies were planned at the site of the memorial; they were especially significant as it was the thirty-fifth anniversary of the defeat of Hitler's Nazi regime. Colonel Ovsishcher was to have attended but was prevented from doing so by the KGB.

On March 6 of this year, with the help of friends in Canada and Russia, I was able, along with others, to put a telephone call through to Colonel Ovsishcher from my Vancouver office to him in Minsk. We later received from him a moving letter which reads in part:

> I want to express my gratitude to you for your help in our difficult life and for your support which you have shown in your telephone call of March 6. The fact that you have not forgotten us in our hard fight is so important, not only for me but for many other families who are now in the same situation. You know, one man alone can be very weak but we are strong because we know we have supporters and friends. This is what gives us faith that we shall overcome.
>
> When the war against the Nazis was over, we hoped victory would bring us not only peace but also human rights. Unfortunately, it was not so and today the voices of suffering people from many countries ring in the free world asking for your help. It is very important for us that you may hear and listen to these voices.

We must not break faith with Colonel Ovsishcher and the suffering peoples of whom he speaks. I urge the government to convey to the government of the U.S.S.R. the unanimous motion of this House and the remarks which I have had the privilege of making in this House of freedom, the Parliament of Canada.

Some hon. Members: Hear, hear!

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, we are, indeed, aware of the case of Colonel Lev Ovsishcher, a Jewish refusenik who wishes to join his daughter in Israel. The Canadian government has had no involvement with this case and since it is a third country which is concerned there is little we can do in the way of representations to encourage the Soviet authorities to grant him an exit visa, much as many of us would like to help him.

● (2220)

Past experience has made it clear that the Soviet Union might well challenge Canada's involvement in the case and that our interests could be jeopardized in other questions with a direct Canadian interest.

Although direct intervention is not a viable option, cases such as that of Colonel Ovsischer are relevant in the context of the 1975 Helsinki Conference on Security and Co-operation in Europe. Basket III of the Final Act of this conference refers to human contacts, including the question of the freer movement of people and, in particular, with humanitarian cases of this nature, involving the reunification of families. While progress has been made in this area with the U.S.S.R., there remains, unfortunately, considerable scope for improvement. For this reason the Canadian delegation to the review conference in Madrid this autumn will press for a more forthcoming Soviet attitude toward family reunification, including such cases as that of Colonel Ovsishcher.

NUCLEAR ENERGY—UNDERGROUND WATER DISPOSAL RESEARCH PROJECT IN MANITOBA

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my purpose tonight is to comment on the complete inadequacy, and worse, the cynicism, of the answers I received on May 12

from the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) and the Prime Minister (Mr. Trudeau) respectively.

I asked about a specific project at a specific place, the underground waste disposal research project in the vicinity of Lac du Bonnet, inquiring as to whether further work on this project might be suspended and that public hearings be held to provide a forum for the discussion of all the attendant scientific, economic, social and ethical issues.

Instead, I was blandly assured by the parliamentary secretary that the whole question of radioactive waste disposal was under active consideration with provincial governments, and particularly the governments of Ontario and Manitoba, and that he would be glad to report to the House any further developments. The parliamentary secretary's kindness in not burying me with specific or even remotely relevant information pursuant to my question, is not appreciated.

He seems to have been taking lessons from AECL in how to keep a closed mouth about difficult questions, breaking secrecy only to indulge in badly disguised propaganda, to brand concerned citizens as emotional or irrational or to admit that accidents which they previously denied have actually occurred. No more irrational, emotional or intellectually craven state of mind could be imagined than that of the promoters of nuclear energy in this country who would have Canada pursue a nuclear future without adequate public debate of any kind. Instead, they blindly advocate that the public uncritically accept their self-interested overconfidence in their own abilities and hide from appropriate political and moral discussion about this issue behind the façade of technical expertise and the urgency of maintaining the viability of the industry, as they call it, an answer which begs the question, to say the least.

Therefore I call on the Parliamentary Secretary to the Minister of Energy, Mines and Resources to tell us now whether there will be public hearings into this research project at Lac du Bonnet, whether he can assure the House that this will indeed always be a research project and that this is not the first step in Manitoba's becoming a burial ground for Ontario's radioactive waste.

Mr. Speaker, there is already a great deal of nuclear waste in this country that needs to be safely disposed of—there is no question about that—if indeed it is possible to dispose safely of it, so research into safe disposal is in order, but only because we have arrived where we are now without choosing. It is now time to make a choice and to initiate a public debate about nuclear energy through the framework, as I suggest, of a moratorium, public hearings and a referendum. For this reason I hope the parliamentary secretary will say something tonight about the government's intention in this regard and not just put off the question in the way the Prime Minister did on May 12. An internal departmental review is not enough. The people must be allowed to think and to speak openly about this issue, and a conscious decision must be reached, whatever that decision may be. My personal hope is that Canadians might choose to change their way of life in such a way as to permit a more renewable, decentralized, conservationist and less risky energy future, not just for their own sakes but for the sakes of future generations. But if the people should choose otherwise, so be it. All I ask for, and all others who are interested in this issue ask for, is that we be given such a choice and that the government demonstrate that it is not simply a tool of the nuclear establishment in this country but a servant of the people.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, since June, 1978, the Ontario and Canadian governments have been working on the first phase of a long-term project to ensure that nuclear spent fuel can be permanently disposed of in an environmentally safe manner.

• (2225)

Most of the geologic research, conducted under the auspices of AECL, is at present being carried out in the Ontario portion of the Canadian shield. On May 28, the Manitoba government approved the plans for the construction of an underground research laboratory near AECL's Whiteshell research establishment in the municipality of Lac du Bonnet. This new research facility is estimated to cost $7.5 million and will no doubt create many additional jobs in the area.

This is another example of how the two levels of government are capable of reaching agreement on matters of importance to all of us.

I should like to add that there has been extensive citizen involvement in the decision to locate the research laboratory in this area. For the past several months, there have been public meetings examining the question in the Whiteshell area. A citizens' liaison group formed by the reeve of the rural municipality of Lac du Bonnet found, according to the reeve, that between 96 per cent and 98 per cent of the citizens in the area approved of the project. A total of five local municipal councils passed resolutions approving AECL's plans for research in the area, and on May 7, the municipality of Lac du Bonnet informed the Manitoba government that it supported the AECL proposal. Contrary to critics' charges of a lack of citizen participation, the public is informed and is an integral part of the decision-making process.

We can all be proud of our country's unique contribution in the area of nuclear energy. In a world of decreasing energy sources and increasing energy costs, Canadians find themselves at the forefront of one of the most technologically advanced fields. We must continue our efforts to ensure that adequate energy sources are available to all in the future. I am certain that all members support accurate and timely scientific research to ensure the continued development of our full energy potential.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, June 3, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

IRAN—RESCUE OF UNITED STATES CITIZENS BY CANADA—STATEMENT BY CANADA PARTY OF LABOUR DELEGATE—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the statement by Michael Smith, a Canadian who is an official delegate of the Canada Party of Labour to the International Conference on the Alleged Crimes of the United States in Iran, that the action taken by the Canadian government and Ambassador Kenneth Taylor in rescuing several Americans from certain illegal and cruel detention by Iran is "a disgrace to Canada", I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That Canada and its people through unanimous consent of this House of Commons totally and irrevocably dissociate themselves from any statements of Mr. Smith's ensuing from this shameful performance the world has now witnessed from one who has, by his irresponsible and ignorant action, himself become a disgrace to Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Under the terms of Standing Order 43, unanimous consent is required before the motion can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EMPLOYMENT

LAY-OFF OF 109 EMPLOYEES AT MASONITE CANADA LTD. IN GATINEAU, QUE.—POSSIBILITY OF OFFERING MORE JOBS—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

Yesterday the president of Masonite Canada Ltd. of Gatineau announced the gradual lay-off of 109 employees between now and August 1. A sharp drop in construction as well as a very limited demand for wood fibres used by that plant to make insulating material have led the president to take that decision. Considering the social impact of that massive lay-off under current economic circumstances, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That at his earliest convenience the Minister of Employment and Immigration meet the president of the union at the plant to consider with him the possibility of rehiring the dismissed employees elsewhere on the labour market and to provide them, if necessary, with some retraining.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

UNITED NATIONS

ALLEGED BREACH BY CANADA OF ARTICLE 15 OF COVENANT ON CIVIL AND POLITICAL RIGHTS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43 on a subject on which there has been some consultation with both sides of the House. In view of the fact that the United Nations human rights committee has received communications made on behalf of a number of inmates that Canada has breached article 15 of the United Nations covenant on civil and political rights, to which Canada is a signatory, in denying early release to prisoners and parolees with street time served on parole prior to October 15, 1977, and in view of the fact that the Solicitor General (Mr. Kaplan) has stated that "should any member of Parliament be ready to raise the question in the House under Standing Order 43, the government would have no objection to debating the issue", I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That the subject matter of the communications pending before the United Nations human rights committee be referred to the Standing Committee on Justice and Legal Affairs for a recommendation as to the appropriate response to these communications.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

An hon. Member: No!

* * *

OLYMPIC GAMES

SUPPORT OF GOVERNMENT BOYCOTT BY EQUESTRIAN COMPETITOR—MOTION UNDER S.O. 43

Mr. David Smith (Don Valley East): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that Canadian equestrian competitor, Cindy Neale, of King city, Ontario, has declined an invitation from the Soviet Union to participate in the Olympic Games at the expense of the Soviet Union, and that this action by the Soviets demonstrates that the Olympics in Moscow are in danger of failure in that the Soviet Union must attempt to bribe athletes in order to entice them to participate, I move, seconded by the hon. member for Willowdale (Mr. Peterson):

That this House congratulate Cindy Neale for supporting the Canadian government's decision to boycott the Moscow Olympics in light of that country's barbaric invasion of Afghanistan.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

LIONS INTERNATIONAL

SIXTIETH ANNUAL CONVENTION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion which I believe will have the unanimous consent of hon. members on both sides of the House. I move, seconded by the hon. member for Etobicoke-Lakeshore (Mr. Robinson):

That this House welcomes the members of Lions International Multiple District "A" to Canada's capital, on the occasion of their sixtieth annual convention, which is their diamond jubilee.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

INDUSTRY

PETERBOROUGH, ONT.—STEPS TO SAFEGUARD JOBS AT CANADIAN GENERAL ELECTRIC PLANT—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, in view of the assurance of the Prime Minister (Mr. Trudeau) in his throne speech that, and I quote, "amendments will be introduced to ensure that major acquisition proposals by foreign companies will be publicized prior to a government decision on their acceptability," I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Considering that Canadian General Electric in Peterborough will be phasing out its power cable and building wire operations at the Peterborough plant, a move which would result in the lay-off of approximately 200 employees with another 100 affected in support industries, because an application is presently before the Foreign Investment Review Agency, known as FIRA, requesting permission for CGE to sell this wire and cable operation to a Swiss-controlled company known as Pirelli Cables Limited, and due to the detrimental impact this application would have on the area of Peterborough, I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That this government urge the Minister of Industry, Trade and Commerce to intercede in an effort to safeguard these 200-plus vital jobs in the Peterborough area and that CGE be advised by FIRA that these 200 jobs at the Peterborough plant must be safeguarded.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT ADVERTISING

CF-18 FIGHTER AIRCRAFT ACQUISITION—REQUEST FOR STATEMENT BY MINISTER—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The government has entered into an advertising campaign concerning the acquisition of the CF-18 fighter aircraft, with the self-congratulatory theme of "A good choice and a good deal for all Canadians", at a cost of at least $260,000.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Is it more than $260,000, Madam Speaker?

In order that the poor, unsuspecting taxpayer of Canada might obtain clarification as to whether or not this advertising constitutes crass political advertising at public expense, I move, seconded by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty):

That this House direct that the Minister of State (Multiculturalism), who is responsible for government advertising and external political communications, make a statement to this House explaining, first, the rationale of the advertising program respecting the acquisition of the CF-18 fighter aircraft, which is a fait accompli; second, the cost of the program; and third, the reason why the advertising differs in each region of the country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

STAFFING OF MANPOWER AND UNEMPLOYMENT INSURANCE OFFICES WITH INTERPRETERS TO ASSIST CLAIMANTS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Toronto labour council and the Dovercourt NDP community action centre have requested the Minister of Employment and Immigration (Mr. Axworthy) to staff employment centres and UIC offices with interpreters to assist non-English and non-French speaking claimants, and in view of the fact that the minister has not done so, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the Minister of Employment and Immigration provide appropriate interpreters in Canada Employment Centres and UIC offices to ensure that clients whose language is neither English nor French will no longer be denied legitimate services which are provided to other Canadians and that this be done by hiring additional staff for that purpose.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN DEFICIT—INQUIRY AS TO GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is addressed to the Prime Minister. On April 24, just after the April 21 financial statement when the Minister of Finance indicated there will be a deficit this year of $14.1 billion, $3.7 billion more than had been contemplated on December 11, the Prime Minister said:

We are not obsessed by the deficit in the same way as the Clark government was.

Since the Prime Minister's statement there have been two other statements. One was by the President of the Treasury Board, who said:

We want to reduce the deficit—

This statement was made on May 27 before the CMA.

—because we realize that the costs of such deficits result in an unacceptable burden. Deficits tend to erode investor confidence.

The deputy minister of finance said to the Senate committee on May 27:

You all recognize the federal government is in a deep budget deficit . . .

Indeed, the deficit problem is going to have to be solved by generalized tax increases ultimately across the board.

My question to the Prime Minister—

An hon. Member: At last!

Mr. Crosbie: A little patience, please. My question to the Prime Minister is this. Who speaks for this government on the matter of the deficit? Is it the Prime Minister, who does not care what the deficit becomes, or is it the President of the Treasury Board or the deputy minister of finance? If it is the Prime Minister, is it the case that all of the agitation about the increased taxes, doing away with the indexation of the income tax, a refinery products tax, is the result of his not caring about the deficit? Is he giving the policy on this or is he surrendering to the other?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member would read the statement carefully, he would conclude that the statements speak for themselves.

Some hon. Members: Oh, oh!

Mr. Crosbie: Madam Speaker, I know the Prime Minister is not in his field, the financial and economic field.

Some hon. Members: Oh, oh!

Mr. Crosbie: Let me try this on the Prime Minister, who is in a financial bog. The Prime Minister said on April 24:

We will not reduce the deficit at the expense of creating more unemployment.

The deputy minister of finance, on Tuesday of last week before the Senate committee, pointed out to the committee that the forecast made last December 11 of unemployment during 1980 rising to 8.3 per cent from 7.5 per cent in 1979 was already too low. He also forecast that the unemployment rate was going to rise and would increase during the 1980s. In view of these statements by the deputy minister of finance, what will the Prime Minister now instruct his Minister of Finance to do with the deficit? Will it be reduced or will he instruct the minister to increase the deficit to carry out the statements he made on April 24?

Mr. Trudeau: Madam Speaker, as the former minister of finance, I think the hon. member would realize that the answer to these particular questions will come in a full and complete way when the Minister of Finance brings down his budget.

Mr. Crosbie: Madam Speaker, perhaps the Prime Minister does not realize that there are some people in this country who still listen to what he says. They do not wait for a budget; they listen to the Prime Minister because they think he expresses the policy of the government.

Would the Prime Minister answer the question: Will his policy be to allow the deficit of $14.1 billion to increase and to cover his aim of combatting unemployment; will the policy be that of the President of the Treasury Board, to reduce it; or will it be the policy of the deputy minister of finance that it is essential to Canada that the deficit be reduced? Please give a lead to the investors, the people of Canada and the taxpayers. Which is it going to be? We cannot afford to wait for the waltzing Matilda who does not want to bring down the budget.

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, it would seem to me that the former minister of finance is in a curious position to make that argument when he himself took so long to bring down a budget.

Some hon. Members: Hear, hear!

Mr. Crosbie: We are not there now. You are there now.

Mr. Trudeau: The former minister of finance points out he is not the government now. That is a fact, but it is perhaps because of his misunderstanding of these questions that he is now sitting on that side of the House.

Some hon. Members: Hear, hear!

STATEMENT OF DEPUTY MINISTER ON GENERALIZED TAX INCREASES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the right hon. Prime Minister, following on the questions of my colleague and referring to Dr. Stewart's statement, which presumably the Prime Minister has read thoroughly. I am referring to Dr. Stewart's statement before the Senate committee

> Indeed the deficit problem is going to have to be solved by generalized tax increases ultimately across the board.
>
> I do not believe it would be fair to suggest that the deficit problem is going to be solved by major reductions in federal expenditures—

Would the Prime Minister say that he generally agrees with that observation of the deputy minister of finance?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the result of an analysis made by the deputy minister of finance would stand for itself. It seems to me to be a perfectly valid statement. We cannot cut expenses to the tune of some $14 billion. Therefore, if we want to reduce the deficit, at some point there will have to be an increase in taxes. But the hon. member, like his seatmate, is trying to argue that one can have in advance all the answers to these questions.

Mr. Crosbie: You had them last fall.

Mr. Trudeau: Surely the questions themselves are rhetorical in nature. Hon. members opposite are experienced enough to know that the business of drawing up a budget is a matter of trying to counterbalance at the same time the measures which would increase inflation and those which would increase unemployment. The position that this government takes now and took when we were in the opposition is that, contrary to the Conservative party, we think that rather than have a fetish on reducing budgets, we must try to ensure that jobs are created and that unemployment is reduced over the long haul. That has been our position. It remains our position, the way it will be attacked—

Some hon. Members: Hear, hear!

Mr. Clark: So much for Ian Stewart.

Mr. Stevens: Madam Speaker, I should like again to put a question to the Prime Minister who appears to be simply saying, "Ask us not how we will cut our expenditures, but we will tell you how we intend to tax you to pay for them".

Some hon. Members: Oh, oh!

Mr. Stevens: In the Prime Minister's general approach to the budget, which will hopefully come down in due course, has he given up the five-year overview set out in the budget of last December in which my hon. colleague was able to show a picture of reducing the budgetary deficit by half, seven-ninths of that reduction coming from expenditure restraint and cutbacks and only two-ninths coming from revenue increases?

Mr. Trudeau: Madam Speaker, I must disagree with the summation of my answer made by the hon. member. I did not say that the government was not attempting to cut expenditures. I was saying that we could not expect to raise the deficit by cutting expenditures in one year to the extent of some $14 billion. That is what I said.

Mr. Clark: Oh!

Mr. Trudeau: Even the Leader of the Opposition is guffawing at that.

Mr. Andre: Guffawing at that!

Mr. Trudeau: I think his seatmate should try to understand what we are saying. As to the substance of the question, I think the hon. Minister of Finance has dealt with it before. He will be happy to deal with it again when he returns.

* * *

SOCIAL SECURITY

STEPS TO IMPROVE INCOMES OF THE POOR

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I put a question to the right hon. Prime Minister. In view of the publication of a report by the Canadian Council on Social Development which shows that more than three million Canadians are still below the poverty line, with the bottom 20 per cent of Canadian families still getting only 4 per cent of the total income while the top 20 per cent get more than 40 per cent of the total income, and in view of the commitment of the Prime Minister when he first came to office to a just society, to ending great disparities in income, will he with his government now lead this House in a determined effort in the next few years to end this disparity and to bring in a state in Canada where there no longer will be these millions of people below the poverty line?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had an opportunity to read this particular report. I am sure it will be referred to me and it will be studied, particularly by the Minister of National Health and Welfare. However, I remind the hon. member that the last time we looked at the figures the percentage of Canadians below the poverty line had been considerably reduced between 1970 and 1978 or 1979. I do not know if these particular figures contradict or support that assertion, but I would be surprised if they contradicted it. That does not mean that there is not still a large gap, but it does mean that the percentage of Canadians below the poverty line has been reduced under the period of a Liberal government.

As to the suggestion by the hon. member, he was not only in the House but an active participant in the debate which precisely attempted to alleviate this discrepancy between the rich and poor in Canada by helping us adopt in this House last week the increase in the guaranteed income supplement.

VETERANS AFFAIRS

REQUEST FOR ASSURANCE THAT WAR VETERANS ALLOWANCE WILL NOT BE CUT BACK

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I trust the Prime Minister realizes that whatever the percentage figure may be, for the three million Canadians who are below the poverty line it is a disastrous situation, bearing in mind that the Prime Minister said when he began his term of office as Prime Minister that "we can improve the quality of life, we can catch up to the rising expectations."

However, in view of the reference that the Prime Minister has made to the $35 increase in the guaranteed income supplement which this House passed last week, I wonder if I may put my supplementary question to the Minister of Veterans Affairs.

In view of the fact that the Minister of National Health and Welfare has made a strong emotional appeal to the provinces not to cut back any of their supplements but to make sure that every guaranteed income supplement recipient will receive an increase in his income of $35 a month, will the Minister of Veterans Affairs make sure that the recipients of war veterans allowance do not have their allowance cut back because of an increase in the guaranteed income supplement?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, in answer to the hon. gentleman's question, this is now under review by our department—

An hon. Member: Can't you give a better answer than that?

An hon. Member: How can it be under review?

Mr. MacDonald: Hold your horses!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Show a little respect for the minister.

Mr. MacDonald: Those who are entitled to the $35, Madam Speaker, will be receiving it.

Mr. Knowles: Madam Speaker, does the statement just made by the Minister of Veterans Affairs mean that the $35 increase in the guaranteed income supplement will be treated as exempt income under the War Veterans Allowance Act so that the recipients of war veterans allowance will not have their allowance cut back by virtue of the $35 increase?

Mr. MacDonald: That is what I was indicating, Madam Speaker.

Oral Questions

ENERGY

INTERNATIONAL ENERGY AGENCY MEETINGS—INQUIRY AS TO CANADIAN COMMITMENTS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In testimony before the national finance committee of the other place, the deputy minister of finance predicted sharp gaps in the availability of adequate oil supplies by 1985 and described this as the greatest threat to the economy of the world and to Canada. Given that Canada has now passed the United States as the world's largest user of oil on a per capita basis, and given that our partners in the OECD and IEA have recently criticized Canada for that fact, will the minister tell the House what commitments he made on behalf of Canada at the recent Paris meetings of the International Energy Agency, and did he at least confirm the commitments Canada made at the Tokyo Summit last June, which, incidentally, his leader roundly criticized at the time as being too hard on Canada?

● (1430)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all, I would like to advise the hon. member that there was no criticism of Canadian policy at the recent International Energy Agency meetings. Secondly, with regard to the content of the understanding between the various countries, they are all part of the communiqué which has been made public. If the hon. member bothers to read it, he will find that no additional commitments were required from Canada.

Mr. Andre: Madam Speaker, the deputy minister of finance at the same Senate committee meeting previously referred to stated only what every other rational observer has also noted, and indicated in essence that only the achievement of self-sufficiency in oil can give us the capacity to manage the economy in the 1980s. Does the minister reject that position and, if not, will he indicate to the House when he expects to reach that target or, in other words, when he expects to reduce our net reliance on offshore oil supplies to zero.

[*Translation*]

Mr. Lalonde: Madam Speaker, it is very difficult to give a exact date or year in reply to that question. As the hon. member said, if, on the one hand, there are some commercially viable finds off Newfoundland and in the Beaufort Sea, Canada could become self-sufficient very shortly. If, on the other hand, our explorations are not as successful, we will obviously have to postpone our target date for self-sufficiency. However, we hope that with the co-operation of industry and a bit of luck we will quickly become self-sufficient before the end of this decade. But no one can hazard a precise date. It would be misleading the people to say, as the previous government did, that by a certain date Canada could become self-sufficient.

[*English*]

EMPLOYMENT

TRAINING PROGRAMS FOR WOMEN

Mr. Jim Hawkes (Calgary West): Madam Speaker, I might remark that it is difficult to achieve self-sufficiency when government policy chases employees and capital out of the country.

Some hon. Members: Order.

Mr. Hawkes: My question is for the Minister of Employment and Immigration. Yesterday, the minister announced in the House:

> The employment development measures outlined today will themselves have a considerable impact on the employment of women.

Page 15 of the background paper which the minister presented at the same time states:

> The new employment programs and budget increases for training will provide employment and training to about 12,200 women in 1980-81.

Given the fact that the minister claims he created 81,000 jobs, of which 12,000 are for women, which amounts to 15 per cent of the jobs created, could the minister—

Some hon. Members: Order.

Madam Speaker: Order, please. The hon. member is repeating the speech which he made yesterday. Would he please ask his question.

Mr. Hawkes: Madam Speaker, I had a little more time to think about it!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hawkes: Will the minister please explain to the House how the creation of 12,200 jobs will have "considerable impact on the employment of women", considering that there are almost 400,000 women in this country and that the minister's program will help only 15 per cent of the 45 per cent who are unemployed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am certainly pleased that the hon. member took some time to think about his question. I would simply point out that, as he was somewhat guilty of misusing his figures yesterday, he has not changed today. What I indicated yesterday was that close to 40 per cent of the benefits that we announced in the employment program yesterday would be applicable to women.

More important is the direction and the approach of the programs. We introduced some innovative programs to provide incentives to private employers and to bring women into non-traditional areas. We introduced an employment program to provide for additional social services to enable women to come into the work force. These are all important steps to provide the basic framework which will allow more women to

participate. It will also give us an opportunity to evaluate those programs and, if they are successful, to expand them substantially in future years.

REINSTATEMENT OF OUTREACH PROGRAM—RESTORATION OF FUNDS FOR 12 PROJECTS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I direct my question to the Minister of Employment and Immigration. I read with great interest the minister's comments in the House yesterday, particularly those at page 1642 in *Hansard*:

—that the funds to Outreach have already been restored—

There were originally 22 Outreach projects. There are now ten. When the minister says that the funds to Outreach have been restored, does he mean, and I trust that he does, that the 12 Outreach projects which were cut by the previous Liberal government are now being reinstated and that their funds are being restored?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, that is exactly what I meant, that the present level of spending in the estimates for the Outreach program is $9.7 million, which is a restoration to its original level.

Miss Jewett: Madam Speaker, the minister has not replied to my question. I wonder whether he would tell me specifically if the 12 projects that were cut have been restored. Would he also be good enough to tell his director of employment and immigration in Manitoba not to discontinue the funding of a very major women's Outreach program in his own city of Winnipeg, the affirmative action program? One week ago today that program was told not to expect any continued funding and, indeed, even not to apply for further funding. Would the minister tell the House, not only whether the 12 Outreach projects which were cut under the previous Liberal government will be restored, but whether the ten that are still remaining, including the affirmative action program in Winnipeg, will be continued?

Mr. Axworthy: Madam Speaker, as I have discovered over the last few months, there are certain officials in the employment office in Winnipeg who say things about which I have no knowledge. I will be very glad to take the information provided by the hon. member. I have no knowledge of the particular project which she has mentioned. I would indicate to her that the application for renewals of Outreach programs are presently being submitted and evaluated. I am personally responsible for agreeing to approve or not to approve the applications, and I will make enquiries about that particular project.

HIRING OF NATIVE PEOPLE

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is also directed to the Minister of Employment and Immigration. Because the situation of hiring native people in Canada is deplorable, and since the program which the minister announced yesterday will assist only about 2 per cent of those status Indians unemployed—and that statistic does not include non-status Indians or Metis people—how can the minister think that this aid will begin to satisfy the magnitude of this problem? Can he also assure the House that this money which has been set aside is not really just window dressing in this area?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the programs which were announced yesterday, particularly the additional $10 million for native training, are designed for a specific purpose. The native training program is designed to allow native people in areas where major resource projects are beginning to take place to acquire the skills and training which will allow them to become part of those projects. By no means is it the exclusive amount allocated to help the native people gain employment. In fact, under our present budget estimates we have $72 million in the LEAP program which provides a substantial number of work programs right across Canada. These programs are used substantially by native groups, and they are proving to be very successful.

Mr. Schellenberger: Madam Speaker, I gather from the minister's comments that there is no money to zero in on programs for the native unemployed, particularly for native women who are unemployed in urban areas. Would the minister state that in fact there is no money to zero in on such areas where unemployment is drastic and in need of improvement immediately?

Mr. Axworthy: Madam Speaker, perhaps the hon. member was not in the House yesterday during the question and answer period following my statement. What I indicated very clearly is that under the community development program which we announced there will be an allocation to every constituency and every region in Canada. Those allocations will be based upon a design which will suit the needs and demands of local employment problems in those areas.

One of the criteria which will be used in determining the allocation is the ratio of native unemployment. Where there is a high incidence of native unemployment, the allocation will be substantially increased. This proposal contrasts substantially with the decision taken by the hon. member's government, which totally eliminated any Canada Works projects in western Canada in which most native people are employed.

* * *

● (1440)

[*Translation*]

PUBLIC WORKS

INQUIRY WHETHER PLACE GUY-FAVREAU PROJECT MODIFIED AND AT WHAT COST

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Public Works and concerns some-

thing that dates back quite a while, namely the Place Guy-Favreau project. Can the minister tell us, in light of his colleagues' statements to the effect that the government will finally go ahead with this project, whether there will be substantial changes made to the original project and what the Place Guy-Favreau complex will cost?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I indicated in Montreal some weeks ago, the project is under review in terms of modification of land use; that is, the residential component is being restudied inasmuch as changes in the environment around the Guy-Favreau project have been changed and because of the introduction of plans by the provincial government. It may be that a residential component in association with other residential components is no longer viable.

The ministry is presently considering alternatives to that by way of commercial office space or possibly some specialized residential use. The estimates in the blue book tabled in Parliament reflect the commitment of the government of approximately $100 million to complete the project as planned recently.

[*Translation*]

Mr. La Salle: Madam Speaker, I should like to put a supplementary question.

I just want to ask the minister if, considering those studies that are being made, he can say approximately when tenders will be called and when it will be possible to carry out this interesting project for Montreal's economic situation.

[*English*]

Mr. Cosgrove: Madam Speaker, bids are either being called for at this time or will be within the next few weeks for the beginning of work at the understructure level. That work should be imminent. We are held up because there was no activity owing to a construction strike in Montreal, but that initial work is imminent.

* * *

FINANCE

GOVERNMENT POLICY ON INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the absence of the Minister of Finance my question is directed to the Prime Minister. Last evening the Parliamentary Secretary to the Minister of Finance indicated that the Bank of Canada has significantly reduced its holdings of government securities. The effect of this reduction is to increase interest rates above what is normal. Is the government's policy at the present time to keep interest rates higher than the market forces would normally indicate?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Finance or the parliamentary secretary answered this question a week or two ago. I recall distinctly what the answer was; it was that the policy of the government was to try and even out abrupt movements but not to act in any way which was contrary to market forces over the long term.

Mr. Blenkarn: A supplementary question on an interest rate related matter, Madam Speaker. Throughout last spring, last fall and last winter, as interest rates went up and as the Bank of Canada rate went up with market forces, the chartered banks' rate went up and stayed approximately 100 index points ahead of the Bank of Canada. Interest rates have started falling now but the chartered banks are out of step. What action has the government taken to get the chartered banks back in line with the Bank of Canada rate so that business is not paying 182 index points more in interest than it should?

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, the fact is that there is no fixed relationship between the interest rate that is quoted by the Bank of Canada as being the bank rate and the rate charged for prime business loans by the chartered banks. That relationship fluctuates over time. It has fluctuated between the time that rates were going up and the time, now, that rates are coming down.

* * *

THE CONSTITUTION

ASSISTANCE TO NATIVE GROUPS TO PREPARE POSITIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a question for the Secretary of State. More than a month ago the three national associations for native peoples—the National Indian Brotherhood, the Inuit Tapirisat and the Native Council of Canada—were promised government funds to help prepare their constitutional positions. Since the first constitutional conference will take place next week and the process will proceed quickly, will the minister explain why his department has not yet paid these moneys to the native associations and can he say that this will be done soon?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I should like to point out to the hon. member that these moneys are in the form of contributions which are administered by my department and not in the form of grants. I have instructed my officials to process the agreement as soon as possible. At the moment officials of the native citizens directorate in my department are developing supplementary contribution agreements which we hope to discuss with each of the three organizations in the very near future. It is our expectation that this process will be completed at the end of this month at the very latest.

HEALTH AND WELFARE

MEDICARE PROGRAM—ANNOUNCED INCREASES IN PREMIUMS BY BRITISH COLUMBIA

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I have a very important question that I should like to address to the Minister of National Health and Welfare. Is the minister aware that the province of British Columbia has just announced an increase of approximately 15 per cent in medicare premiums and, further, 20 to 40 per cent in daily charges to patients for hospital visits? If so, will she get in touch with the government of British Columbia and tell that government that these regressive, reactionary increases are unacceptable to the federal government under both the medicare and hospital legislation?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, that information has not been confirmed officially to me yet. I have a meeting tonight on that question, at my request.

Mr. Rose: A supplementary question, Madam Speaker. Once the information is confirmed, since the government has tied further increases in health care fees to the cost of living and since these increases are irresponsible, shocking and pick the pockets of the poor and the old, would the minister be prepared to take immediate action along the lines that she proposed when she was in opposition—that is, give notice to B.C. that she intends to cut off federal funding unless and until the medicare guidelines of universality and comprehensiveness are reinstated?

Mrs. Bégin: Madam Speaker, not until the report of Mr. Justice Hall has been presented. I am sorry to be late for the question period this afternoon but I was finishing a meeting with Mr. Justice Hall where we discussed these problems.

My objective and that of the government is not to enter into confrontation with B.C. for the fun of it; the problem is far deeper. I think the hon. member knows that it is far deeper than just these signs we have seen in some provinces which, by the way, are being corrected.

I want to remind the hon. member of the beautiful job the population—and, of course, the Liberal opposition—did in New Brunswick in correcting that situation. I think it is proper that we talk of it right now in this public forum of the House, but we are not ready to withhold payments at this point in time. The Hall commission's work is to advise us on this very subject.

* * *

COMMUNICATIONS

EARTH SATELLITE STATION AT B.C. LEGISLATURE—INQUIRY AS TO PROSECUTION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Communications. On Friday the minister threatened to lay charges against the owners and operators of unlicensed earth stations. On Monday the B.C. government put up an earth station on the grounds of the legislature in Victoria. When the minister makes these threats about prosecutions of owners and operators of unlicensed earth stations, does that include the earth station on the lawns of the B.C. legislature?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, there seems to be a lot of confusion about the installation of the earth satellite station at the B.C. legislature. For instance, it was reported on the national news last night that all such earth stations are illegal. As you know full well, Madam Speaker, they are not. As long as an earth station is licensed it is, indeed, a legal earth station.

In answer to the hon. member's question, I should like to tell him that the British Columbia government made an application for a licence some time ago and that this licence was issued in due course.

Mr. Beatty: A supplementary question, Madam Speaker. We learn from the Minister of Communications that he does not intend to lay charges against the B.C. government. That leaves several thousand Canadians in rural and remote areas, particularly in northern Canada, to be considered. In view of the fact that the reason people in so many northern and remote areas are putting up unlicensed earth stations is that they want to receive the same variety of signals as are available to people in southern and urban areas, may I ask if the minister is prepared today to order a stay of prosecution against people living in such communities until such time as Canadian signals are available to provide the same variety of programming to them that is available to people in southern Canada? Will he put an end to the sort of discrimination which takes place when the government allows such signals into southern Canada but forbids rural and northern Canadians from receiving a variety of signals?

Some hon. Members: Hear, hear!

Mr. Fox: Madam Speaker, I am delighted to hear "hear, hear" coming from across the floor, because the policy we are pursuing at present is the policy that was pursued by the Leader of the Opposition's government and by my immediate predecessor in this portfolio.

An hon. Member: Nonsense.

Mr. Fox: There were no prosecutions at that stage.

Mr. Clark: That is right. That is the point.

Mr. Fox: It was a question of tolerance, not a question of issuing licences.

I should like to get back to the answer I gave last week to members of this House. On this side of the House we are interested in getting to the root of the problem. That is why we are hoping that the CRTC, through its present hearings on the problem of extension of TV services to northern communities

in Canada, will come up with a set of recommendations which would then lead to the licensing process some time this fall. We would like to get to the bottom of the problem, which is really one of extending services to the north in a legal manner. In the meantime, we indicated, and the CRTC indicated, that we would have a look on an ad hoc basis, on a case by case basis, at the operation of unlicensed satellite stations in Canada, particularly in areas where these unlicensed stations were interfering with the activities of licensed cable operators in this country.

* * *

● (1450)

ROYAL CANADIAN MOUNTED POLICE

NARCOTICS SEIZURE—INQUIRY WHETHER CHARGES TO BE LAID

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I would like to direct a question to the Solicitor General. Will charges be laid with regard to the RCMP seizing the drugs on board a ship off the coast of Nova Scotia last weekend?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, that was a successful operation by the RCMP. The smugglers, from our intelligence, were trying to land in Connecticut and were chased by the American coast guard north into Canadian waters, or close to Canadian waters. They never intended to land in Canada. They never came to Canadian territorial waters. Therefore, in the intermediate zone where they were seized—

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Kaplan: I am coming to the answer. In the intermediate zone where they were seized—

Some hon. Members: Oh, oh!

Madam Speaker: Order. The Chair is having difficulty following what is going on in the House. Those who are having conversations with their seatmates will please do so in a lower voice.

Mr. Kaplan: Thank you, Madam Speaker. In the intermediate zone where the seizure took place, international convention does not permit a coastal state to lay charges, but the coastal state is entitled—and the RCMP did—to seize the ship, to seize the cargo, and of course they will be confiscated.

PENSIONS

INQUIRY WHETHER LEGISLATION PREPARED RESPECTING AGREEMENT WITH WEST GERMANY ON DOUBLE TAXATION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a very important question for the Minister of State (Finance). I gave him notice of the question in the form of a 43 a couple of weeks ago.

Some hon. Members: Oh, oh!

Mr. Oberle: It relates to the rather discriminatory practice of double taxation of Canadian citizens who have earned certain pension rights in the Federal Republic of West Germany. It is my understanding that there is an agreement about to be signed. Can the minister inform the House today whether we have responded to the request of the Federal Republic to enter into this agreement, and does he have the legislation prepared to facilitate such a request?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I recall the notice the hon. member gave me about the taxation agreement. As the hon. member knows very well, we are negotiating such agreements with several countries. There have been some references to several of those agreements in the House. Many of those agreements are ready to be signed. Some have already been signed and legislation in that regard is being drafted. If we made good progress in the business of the House, we could soon proceed with consideration of a bill concerning those taxation agreements.

[*English*]

Mr. Oberle: Can the minister tell me whether the particular agreement with the Federal Republic of West Germany has been signed and, if so, would it have to await the signing of a number of other agreements before legislation would be introduced to approach the problem in a global sense?

[*Translation*]

Mr. Bussières: Madam Speaker, I do not remember whether the agreement with the Federal Republic of Germany has been signed. I shall inquire and give the reply to the hon. member. We would rather wait and conclude as many agreements as possible before incorporating them into a bill.

* * *

[*English*]

TRADE

COMMITTEE STUDY OF TERMS OF REFERENCE OF PROPOSED NATIONAL TRADING COMPANY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, can the Prime Minister tell the House when we can expect to receive the terms of reference for a study by a committee of this House of a national trading company?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with regard to that parliamentary task force, according to the discussions I had with my colleagues of the other two parties, I was to consult the minister who was absent, so that we reached an agreement on setting up five parliamentary task forces. As for the sixth, I must say it was only agreed that if it must exist—

My colleagues are pointing out to me that the minister is present. I was about to say that I was aware of his presence in the House.

We decided to pursue our consultations. If we go ahead with setting up a task force, we will respect the principle of the agreement, that is that the task force will report to Parliament, and will be made up of a limited number of hon. members from both sides of the House who will be asked to report within a certain period, that is before December 19. If, on the other hand, we decide not to set up a task force to deal with that subject, obviously the problem will resolve itself automatically. We also agreed that if we do create a task force to deal with the topic, it will be similar to the five that have already been set up.

[*English*]

Mr. Clark: The Prime Minister's announcement made it very clear that there was going to be a study of a national trading company along the same lines as the other subjects established for task forces. Will the President of the Privy Council or the Prime Minister explain why this House of Commons is being denied the right to consider the question of a national trading company in the same way that we are considering other questions that have been proposed by the government? What is so special about a national trading company that the government is not prepared right now to let that question be considered by a committee of the Parliament of Canada with the same rules that apply to other subjects originally forecast for task force study?

[*Translation*]

Mr. Pinard: Madam Speaker, if there was what my colleague calls a violation of the rules, which I cannot admit, it is simply because the Prime Minister has indicated clearly to the House, in answer to the Leader of the Opposition, that he had asked me to negotiate with the leaders of the other two parties a formula for the establishment of these task forces. We had to decide whether these task forces were to report directly to the minister or to the House of Commons. Following negotiations and consultations held in accordance with the spirit of Parliament, we succeeded in meeting the goal set out by the right hon. Prime Minister, that is to set up action groups acting rapidly and without partisan lines on matters of public interest and reporting after a short delay. We achieved such an agreement, thus avoiding what the Leader of the Opposition did when he was prime minister, namely task forces which did not report to Parliament but rather to ministers. We, on the other hand, have simply followed the wish expressed by the Prime Minister: after having consulted with my colleagues, we have established task forces which will report to Parliament.

Mr. Clark: Madam Speaker, the minister has answered a question that was not put. I asked why is the Prime Minister not prepared to extend to the matter of a national trading company the same parliamentary treatment given to others subject matters referred to task forces. Why the difference, and can the minister assure the House today, before he leaves again for Mexico, that this matter will receive the same treatment that is given to other matters?

[*English*]

Mr. Pinard: Madam Speaker, the subject matter raised by the Prime Minister when he made his announcement covered one element. The other elements were the participation of members of Parliament on both sides. Also, it was the small task forces that we wanted to act quickly and to report. The question raised was whether it was to report to the minister or to Parliament. All those elements were discussed among House leaders. We came to some agreement. We made some concessions and they made some. In the end, we have five parliamentary task forces that will report to Parliament and will have the participation of members from both sides of the House, especially members from western Canada.

The Leader of the Opposition would like us to make concessions on all the elements. This sixth item, the task force on trade, is actually under consideration. We might come forward with an additional offer to create more task forces in the future on any subject that is of national interest. However, at this time we are experimenting. We succeeded in concluding an agreement on five task forces. We might agree on a sixth one shortly, and if not there might be many other task forces in the future.

* * *

● (1500)

EXTERNAL AFFAIRS

INQUIRY WHETHER CANADIAN DELEGATES TO INTERNATIONAL CONFERENCE ON ALLEGED CRIMES OF UNITED STATES IN IRAN SANCTIONED AND FUNDED BY FEDERAL GOVERNMENT

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, in the absence of the Secretary of State for External Affairs perhaps I could direct a question to the Prime Minister. In view of the fact that one of the Canadian delegates to a so-called conference on alleged crimes of the United States in Iran called the action taken by the Canadian ambassador, Ken Taylor, in helping six U.S. diplomats to escape from Iran "a disgrace to Canada", would the Prime Minister advise the House whether the three delegates who attended this conference were officially sanctioned by the government and whether they, and the organization they represent, are receiving any

assistance from the federal government in attending this so-called conference?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the first part of the question, the answer is emphatically no. As to the second part concerning assistance, I would have to inquire and ensure that the hon. member gets an answer.

* * *

PRIVILEGE

MR. HNATYSHYN—STATEMENT BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a question of privilege following a statement made by the Minister of Employment and Immigration (Mr. Axworthy) in response to questions from the opposition. I want to give you notice of my intention; I should like to look at the blues. As I recall the minister's words, he made the allegation that certain officials in his department were releasing information contrary to the rules, and taking actions with respect to his activities contrary to his wishes or instructions. Since, as you know, there is a question of privilege which has been referred at the minister's request to the Standing Committee on Privileges and Elections with respect to certain of his activities, I should like to have the opportunity of looking at the minister's statement to determine the nature of those allegations so that I might have the opportunity of raising the matter before you, Madam Speaker, at a later date.

MR. EPP—HANSARD REPORT OF REPLY GIVEN BY MINISTER OF TRANSPORT

Hon. Jake Epp (Provencher): Madam Speaker, in regard to the question I asked of the Minister of Transport (Mr. Pepin) yesterday regarding the program of rail relocation or the Sherbrook Street overpass in Winnipeg, there is a difference between what appears on the blues and what appears in *Hansard* at page 1631. I wish to reserve my right to raise the matter as a question of privilege when the minister returns to the House.

* * *

POINT OF ORDER

MR. STEVENS—STATEMENT OF PRESIDENT OF TREASURY BOARD ON COST OVERRUNS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, on May 28, as shown in *Hansard* at page 1496, I raised the question of an apparent oversight on the part of the President of the Treasury Board (Mr. Johnston) in filing a record of 497 projects which had overruns of $1,062 million. Unfortunately, as you will recall, Madam Speaker, the actual figures which were tabled came to only $820 million and there were about 20 fewer projects than the President of the Treasury Board had indicated, and on May 28, the hon. gentleman said, "I will check the point and if there is any misunderstanding I will ensure that it is cleared up." My point of order is this: I would appreciate it if you could give the President of the Treasury Board an opportunity, now, to clear the record.

Hon. Donald J. Johnston (President of the Treasury Board): Thank you, Madam Speaker. I have written to the hon. member clearing up the item in question. Specifically, the difference arises from the fact that the documents which I filed in the Committee of the Whole had cost overruns valued as of September, as I recall, in 1979. I indicated that the amount of cost overruns was, in fact, $1,062 million which varied from the amount which was enclosed in the document, that being the result of a subsequent evaluation which went back to the original budgeted cost figures.

The $1,062 million to which I made reference, also included the 22 projects which were included in the computer print-out which I filed in Committee of the Whole, but there were no numbers given opposite the project titles because that information was apparently not complete or not available at the time that particular print-out was prepared. However, as I have indicated, the difference between those two figures of which the hon. member made mention is composed of the evaluation going back to the original budgeted cost of the projects plus the cost overruns with respect to the 22 projects in question.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

First report of Standing Committee on Transport—Mr. Dionne (Northumberland-Miramichi).

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

* * *

[*English*]

PETITIONS

MAINTENANCE OF IMPERIAL MEASUREMENT SYSTEM

Mr. Gordon Towers (Red Deer): Madam Speaker, I have the honour to present to the House of Commons in Parliament assembled a petition, pursuant to Standing Order 67 which, in brief, prays that the system of weights and measures known as the Imperial system shall always be legal and acceptable in Canada regardless of any other system which may happen to be used.

The petition attached bears the signatures of 2,111 electors and was sent to me in my capacity as member of Parliament for Red Deer for transmission to the House of Commons in

Parliament assembled. If the petition is found to be in order, I pray it may be referred to an appropriate committee of the House of Commons.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 96, 182, 204, 287, 288, 563, 602, 631, 719 and 958.

Madam Speaker, I would ask that the remaining questions be allowed to stand.

[*Text*]

Order Paper Questions

ONTARIO RAILWAY STATION—BROCKVILLE—TICKET SALES

Question No. 96—**Mr. Cossitt:**

What is the total dollar amount of ticket sales made at the Brockville, Ontario Railway Station in each of the past three years and what is the total for the three years combined?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises that the dollar amount of ticket sales, rounded to the nearest thousand, at Brockville, Ontario, Railway Station for the years 1977 through 1979 are as follows:

1977	$ 370,000
1978	$ 414,000
1979	$ 430,000
Total	$1,214,000

TELEGLOBE CANADA

Question No. 182—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Teleglobe Canada?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on Teleglobe Canada (b) of loans, advances or guarantees extended by the government to Teleglobe Canada (c) investment by the government in Teleglobe Canada both before and after any write-off?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by Teleglobe Canada that the reply to the above question is as follows:

1.	'000s (a) 1977	'000s (b) 1978
Total Revenues	$ 77,493	$ 72,844
Net Earnings	14,877	14,484

2. None.

SEAWAY INTERNATIONAL BRIDGE CORPORATION LTD.

Question No. 204—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Seaway International Bridge Corporation Ltd?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Seaway International Bridge Corporation Ltd., a subsidiary of the St. Lawrence Seaway Authority advises as follows:

1. (a) Total revenue—$909,094.42
   Net earnings— 0
   Net deficits— 0
   (b) Total revenue—$956,777.44
   Net earnings— 0
   Net deficits— 0
2. None.

GRIMSHAW TRUCKING AND DISTRIBUTION LTD.

Question No. 287—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Grimshaw Trucking and Distribution Ltd?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on Grimshaw (b) of loans, advances or guarantees extended by the government to Grimshaw (c) investment by the government in Grimshaw both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Northern Transportation Company Limited advises as follows:

1. Northern Transportation Company Limited reports on a consolidated basis and the financial results relating to subsidiary companies is considered proprietary information.
2. None.

ELDOR RESOURCES LIMITED

Question No. 288—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Eldor Resources Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on Eldor (b) of loans, advances or guarantees extended by the government to Eldor (c) investment by the government in Eldor both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows:

It is assumed question concerns Eldor Resources Limited formed in April, 1978.

Order Paper Questions

1. Eldor Resources Limited
   (a) 1977—none
   (b) 1978—none
2. Eldor Resources Limited
   (a) 1977— none
   1978— none
   (b) 1977— none
   1978— Uranium Canada Limited provided a loan of two million pounds of uranium concentrates.
   (c) 1977— none
   1978— none

HUNGARIAN REPUBLIC—ACCREDITED DIPLOMATS

Question No. 563—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from Hungary?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the Hungarian diplomatic service who are either non-Canadians or Hungarian Nationals?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

Accredited Diplomats from the Hungarian People's Republic

Name	Title	Date of Arrival
Dr. Jozsef Németh	Ambassador	September 15, 1976
Mihaly Kolipka	Counsellor	August 3, 1977
Dr. Janos Gorog	First Secretary	October 2, 1978
Gyula Szombathelyi	First Secretary	August 19, 1976
Sandor Papp	Second Secretary	October 29, 1979
Ede Sziklai	Trade Commissioner	July 25, 1978
Zoltan Szabo	Assistant Trade Commissioner	July 11, 1975
Istvan Kiska	Assistant Trade Commissioner	September 12, 1974
Laszlo Deme	Assistant Trade Commissioner	July 15, 1977
Dr. Andras Ferenczi	Assistant Trade Commissioner	October 30, 1979
Lajos Schrok	Deputy Trade Commissioner	August 5, 1978
Imre Veres	Assistant Trade Commissioner	August 27, 1979
Jozsef Németh	Assistant Trade Commissioner	December 11, 1979

Members of the Staff—Hungarian Nationals

Marta Molnar	October 11, 1976
Ilona Rieder	September 23, 1978
Ede Csutor	June 20, 1978
Béla Bodnar	January 14, 1977
Istvan Varga	July 27, 1977
Anna Poor	September 23, 1978
Ildiko Dely	March 5, 1977
Andrea Torok	August 15, 1978
Magda Csapo	September 12, 1977

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—LAWYERS ON STAFF

Question No. 602—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Indian Affairs and Northern Development?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Nine lawyers are assigned to the department from the Department of Justice.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—NUMBER OF EMPLOYEES IN PUBLIC RELATIONS

Question No. 631—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Indian Affairs and Northern Development?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): The Department of Indian and Northern Affairs has a total of 42 employees engaged in public relations, publicity or media relations.

DEPARTMENT OF NATIONAL DEFENCE—UNINSURED LOSS OF ROOF SHINGLES

Question No. 719—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 to miscellaneous items recorded by the Department of National Defence in footnote number 9 at page 12.62, volume I of the 1978-79 Public Accounts of Canada (a) did the department undertake steps to determine the whereabouts of the roof shingles and, if so, what were they (b) was the thief apprehended (c) in what location did the loss occur?

2. Did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. (a) Yes. A thorough investigation into the circumstances surrounding the loss was conducted.
   (b) No.
   (c) Canadian Forces Base Gagetown, N.B.

2. Yes. Greater security of the storage building including a limited and controlled access to the building.

SUPPLY AND SERVICES—PROJECTS IN THE CONSTITUENCY OF PEMBINA

Question No. 958—**Mr. Elzinga:**

1. Since 1974, did the Department of Supply and Services finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Hon. J.-J. Blais (Minister of Supply and Services): The department does not have a mandate to finance projects.

[*Translation*]

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

Some hon. Members: Agreed.

● (1510)

[*English*]

Mr. McKenzie: Madam Speaker, I rise on a point of order. I would like to ask the parliamentary secretary what is causing the delay with starred question 876. It is with regard to funding for either railroad relocation or building overpasses in Winnipeg. The funding is causing considerable confusion in the province and in the House here. In particular we want to know where the funding is going to be coming from. It was announced last Friday, and there have been statements, that the funding will come out of DREE programs. All members of the House are very anxious to find out which DREE programs the funding will be obtained from, for the rail relocation and the building of the overpass in Winnipeg, so I would appreciate if the parliamentary secretary would make some inquiries with regard to starred question 876.

Mr. Collenette: I shall, Madam Speaker.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed, from Monday, June 2, consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, when the House adjourned last evening I was addressing some remarks to the parliamentary secretary, who had responded in a commendably detailed fashion to some requests for information emanating from this side of the House. I was at that time suggesting to hon. members opposite that, regardless of the amount of money that ultimately this House of Commons decided to allow the government to have in this or subsequent appropriation bills, it was time for a reappraisal of the priorities which would be given to these large amounts of money. I

believe I said that two of the priorities which I was urging upon this House were a greater emphasis on defence and a greater defence on economic development.

It seems to me that I also said at that point in my speech that there was no greater tribute to vulgar cost overruns and edifice complexes than the Bank of Canada building which is so near Parliament Hill and stands conspicuously among many of the other edifice complexes which have been built around the country, which may provide some satisfaction for the egos of the inmates, but does not do very much to assure the economic development of our country.

When one looks at the priorities and at the opportunities available to Canada, one sees very quickly how our rather precarious financial position reflects on our economic opportunities. I believe, although I am not certain, that a good example of this was illustrated recently when the President of Mexico came here and departed without leaving very much assurance that our country would be able to benefit very much from the Mexican oil that we had once hoped to get in larger amounts. I recall reading shortly thereafter that Japan was able to make a far more advantageous arrangement simply because there were funds available from that country, which is in far better shape economically, to invest in Mexico, and presumably they were able not only to improve their export position but also to get badly needed petroleum, something which we cannot do.

I suggest to hon. members of this House that federal priorities must change, regardless of the amount of money this House allocates to the government. Some departments are not paying enough attention to regional matters in their operations, and it is on this aspect of my speech that I would like to spend the last few moments available to me.

Some departments are not paying enough attention to regional matters. Some departments are almost anti-development, and I suggest that the Department of Industry, Trade and Commerce is perhaps the worst of these. If I had more time I could deal with others such as the Department of Supply and Services. The anti-development departments, as I call them, have almost become DREEs in reverse. Some of the departments and agencies of our national government actually discriminate against the less developed parts of the country. This "kick them when they are down" mentality has created patterns in government purchasing, industrial development incentives, and export financing which discriminate in favour of the developed. At present DREE receives little more than 1 per cent of the federal budget.

Other federal departments and agencies control substantive funds which could be well used in a manner more consistent with regional development priorities. The present Minister of Regional Economic Expansion (Mr. De Bané) is well aware of this, and when he was minister of supply and services for a few months, as he pointed out recently, he did his best to try to correct the situation, and I trust that some of his cabinet colleagues will continue to work with him in this new administration to change what has been an impossible situation for DREE simply because that department does not have enough

money to do what it is expected to do because other line departments which have not been paying enough attention to their regional responsibilities are not co-operating.

In 1979 the Economic Council released an investigation of regional underdevelopment entitled "Regional Disparities and Growth in Canada". It found an important ingredient of Canadian regional disparity to be in the adoption of new technology. In the same year the C. D. Howe Research Institute reported that the output per capita in the Atlantic region since 1970 has declined when measured as a percentage of the national output.

At a time when industrial output is declining, the region requires strong and effective action, but rather than attempt to resuscitate the patient when things are tough, this particular administration appears to have chosen to withdraw the medication and the life support systems. First, the regional development incentives which were in the budget of my colleague, the hon. member for St. John's West (Mr. Crosbie), have not been reintroduced by the present Minister of Finance (Mr. MacEachen), nor were any other incentives to benefit the Atlantic region, which is perhaps the most underprivileged region in the whole country. It is not just that the present administration failed to reintroduce the provisions and tax contracts and capital cost allowances for newly built fishing vessels, for example; they have also stalled, I trust for not too long, the previous incentives of our government for the older industries like SYSCO and the new and expanding ones like Michelin.

Let us now look at the actions of one other department capable of generating real development, the Department of Industry, Trade and Commerce. This department directly contributes to this industrial impotence in the Atlantic region. It is an anti-development department, as far as we are concerned. It operates a number of programs which attempt to deal with the crisis of Canada's technological underdevelopment, but it does not do anything for us. For example, between 1970 and 1977 the Program for the Advancement of Industrial Technology, called PAIT, spent $146 million, but only $63,000, or .4 of 1 per cent, was spent in our region. During the same period the Industrial Design Assistance Program spent $64,000, or less than 3 per cent of its budget, in our region.

A third program with great potential but little action is the Defence Industry Productivity Program, DIPP. Considering the way it is now administered, it is well-named. It will provide the basis for most of the ostensible benefits of the F-18 offset program which has been widely advertised, as was mentioned here in the House today. Between 1970 and 1977 DIPP spent nearly $340 million but only 1.5 per cent, or $5 million, in the Atlantic region. In fiscal year 1978 the region received only .15 per cent of the DIPP funds, or $70,000.

In the same year Ontario and Quebec received 99 per cent of the available funds. We can readily see how this program has failed miserably to spread the economic potential that it has across the country in those areas where it is most needed. One might naturally assume that this region would receive a similar portion of the F-18 offset program. On this matter the present Minister of Regional Economic Expansion stated in Parliament when he was DREE critic in the opposition, "I would like to see DREE involved in the F-18 picture, not all spent in metropolitan areas". He said that last fall.

This program is in great difficulty because it does not have funds available, and many of the widely touted benefits, which are advertised at such expense to the taxpayers of this country, I suspect cannot be realized. If Canadian industry does not have the funds to re-tool or to take advantage of these offsets, then all of the industrial benefits will not be realized. The McDonnell Douglas Corporation cannot wait indefinitely. It has a production deadline, and so the benefits which could come to Canada will go back either to the United States or to other countries.

By fiscal year 1979 many of the industrial incentives of the Department of Industry, Trade and Commerce were integrated into the Enterprise Development Program, or EDP, as it is called. Unfortunately, the EDP has shown itself to be just as incapable of dealing with Atlantic Canada as its predecessors. In that year EDP spent $150 million, but only $850,000, or 0.57 per cent of 1 per cent of its budget, in the Atlantic region. During the same period, Ontario received about 60 per cent of the total assistance. This totalled some $91.4 million.

• (1520)

I do not mention this matter in the spirit of antagonism or to complain about the benefits which other parts of Canada receive, but only to emphasize and to show, I hope graphically, that the Department of Industry, Trade and Commerce is failing miserably in working with the Department of Regional Economic Expansion and other departments to try to do something meaningful to alleviate economic disparities in this country. If I have time I will talk about transfer payments in a moment, which also have generated some strange results in Atlantic Canada.

Another aspect of the attempt of the Department of Industry, Trade and Commerce to stymie Atlantic Canada may be found in the export financing activities of its Export Development Corporation. Since Atlantic Canada's economy is one of the most export oriented of any region of Canada, it should appear normal for EDC to be heavily involved in export support activities in that region. In fact, it is not.

In 1977 the corporation provided nearly $2 billion to support Canadian export transactions. In that same year its annual report's list of principal exporters in each of its export financing ventures with foreign nations includes none—I emphasize none—from Atlantic Canada.

Today this department, the Department of the Minister of Industry, Trade and Commerce (Mr. Gray), is providing $200 million to Ontario's Chrysler Corporation. It has not changed so far as its approach is concerned, in my view, to the rest of Canada. It is a department that gave more than $60 million in direct funding to Ford in Windsor. In a few months the department is likely to add Massey-Ferguson to its list of welfare recipients. This corporation, which does not operate in underprivileged parts of the country, in fact barely operates in

this country. It is true that it employs substantial numbers of people, but in relation to its worldwide operations, both its investment and its employment are very slight compared to the operations in countries as spread around the world as Argentina, West Germany, the United States, and so on.

I know that the Minister of Industry, Trade and Commerce has been approached. He may very well be approached by the Canadian Imperial Bank of Commerce which has a trifling loan that they are worried about of some $400 million in Canadian dollars. I do not know what their plans are, but I would be very upset, and I am sure many members would be upset, if large amounts of money, $100 million for example, were allocated to Massey-Ferguson, unless there were some pretty stringent guarantees that this money would not be allowed to go out of Canada to settle some of the debts that this company has incurred in other parts of the world, unless there were some guarantee of jobs, and unless the Argus Corporation, and other sources of money that Massey-Ferguson has, make a substantial contribution as well.

This is very interesting, when one looks at the incompetence and the anomalies in this government. I do not want to stray too far from the subject of the bill, but I do want to make one side comment because it relates to another contradiction in policy. I had hoped to raise it in the question period today, but I will just put it on the record because I think it is rather funny that when we are talking about economic development we are talking about energy conservation, and there is nothing that is as dear to the heart of the government, ostensibly, as energy conservation. Yet I find that as of April 1 there is a conditions of permit document, as it is called, at Toronto international airport. I do not know whether or not the Minister of Transport (Mr. Pépin) knows about it—I doubt it—but just for his information and that of his colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), "who work so hard" to conserve energy, let me say that it is a fact, so I am informed, that the limousine service to the Toronto International Airport, by the conditions of the permit as of April 1, are restricted to using Lincolns, Cadillacs, and Chrysler New Yorkers. Anybody who had a more energy-efficient car by definition, such as a diesel equipped automobile, just cannot operate.

An hon. Member: A Mercedes Benz.

Mr. MacKay: I should say to my colleague that Mercedes Benz is being discriminated against, I am sorry to say.

But I would like to point out, at this stage how contradictory government policies are, and ask the Minister of Energy, Mines and Resources to check with his colleague, the Minister of Transport, to see whether it is now official government policy across Canada that, in an attempt to promote energy efficiency, they are restricting limousine services to those operators who can afford Cadillacs, Lincolns and Chrysler New Yorkers.

I want to speak for a moment, in talking about economic development, on the anomaly of the federal government's transfer payments. One would assume that a government committed to regional development would gradually increase the transfer of payments to provincial governments in a region such as the Atlantic region at a rate beyond that provided to provinces with fewer economic problems. In this period of extremely high regional unemployment, it would be necessary to do this to allow all provincial governments to maintain their level of services and to allow regional economies to make a greater contribution to the national economy. Unfortunately, this did not happen.

The portion of federal transfer payments to provincial governments in the Atlantic region remained static between 1970 and 1978. In 1970 the Atlantic region's provincial governments received $605 million, or 18.3 per cent of all transfers to provinces. If the unemployment rate is used as an indicator of economic well-being, in 1970 the region was only performing at slightly less than the national average, that is to say, at 6.2 per cent unemployment as opposed to 5.7 per cent. By 1978 the region had clearly fallen behind the nation. It had a 12.5 per cent unemployment rate as opposed to 8.3 per cent nationally, and yet during this period the transfer payments to the region stands at $2 billion or 19 per cent of all federal transfers to provincial governments, compared to 18 per cent in 1970—not much of a selective effort or targeting, to use a current word that is quite popular.

The transfers to provincial governments can also be analysed in terms of their net growth over the 1970 level, and this makes a very interesting analysis. Once again, the growth of transfers to the Atlantic region as compared to the Nation as a whole is less than dramatic. Newfoundland provides perhaps the best example of lopsided growth in transfers of payments to provincial governments. In 1970 Newfoundland received $194 million in transfers. In 1978 the provincial government was receiving $579 million, quite a healthly increase, it would seem. This represented a growth of 298 per cent. But during the same period, transfers of payments to the government of Alberta increased by 269 per cent to $627 million. Thus the growth of transfers to Alberta, the richest province, paralleled those of Newfoundland, of course.

Over the last period of the Prime Minister's (Mr. Trudeau) administration, the economy of the Atlantic region became, according to the Atlantic Development Council "more dependent upon federal transfer payments". Dr. T. J. Courchene of the University of Western Ontario, stated before the Senate National Finance Committee in November, 1978:

—their—

the Atlantic region's

—relative position has deteriorated vis-à-vis the 'have' regions to the point where several of the provinces are in danger of being reduced to the level of 'dependencies' of the federal government.

The dependence of gross regional expenditure on total federal transfer of payments to the Atlantic region has increased from 20 per cent in 1970 to nearly 30 per cent in 1978. The growth in comparative dependence for the rest of Canada was from 8 per cent to 10 per cent.

So, Mr. Speaker, I put these on the record only to show that, in my humble opinion, the Minister of Regional Economic

Expansion requires a great deal of support, not only with an increased budgetary allocation, not only in getting legislation through this House, but also he requires a great deal of support from his colleagues. I noticed, when I was minister of DREE, that all kinds of co-operation existed until it came time to pay the shot. Even when we went out to lunch, poor old DREE had to pay because DREE had a little extra money. The other departments, because of their huge budgets and their complexes, they analysed their responsibilities, were willing to pay lip service to DREE, but they were not prepared to give any money, or at least only very grudgingly. There are areas where budgetary flexibility must be achieved.

If DREE were operating as efficiently as it could, if the line departments of government were doing their job—as so manifestly the Department of Industry, Trade and Commerce is not, in looking at regional responsibilities—we would not need such a doubtful effort, I might say, as this government job program which was introduced yesterday in the House by the Minister of Employment and Immigration (Mr. Axworthy). As was indicated in today's issue of the Ottawa *Citizen*, "it looks good, it is impressive on paper only", and that is about the size of it.

● (1530)

The fact that we must spend hundreds of millions of dollars of taxpayers' money to create temporary jobs to alleviate areas of high unemployment, without getting any lasting benefit, without building up the country, without leaving any trace of economic development behind when the benefits run out, is an indictment of the kind of economic development policy which have been developed in this country over the last number of years. Surely at a time when the government is requesting an amount of money as vast, as huge, as almost incomprehensible as $12 billion, which as I said last night is $5 billion more than the hon. member for St. John's West in our government requested only a few months ago, there will have to be a more judicious and careful analysis of how it is expended. If this is not the case, we are simply adding a massive amount to our deficit, a tremendously high proportion in one fell swoop to the already large amounts of money the parliamentary secretary and I put on the record last night as owing in our national indebtedness.

We will not achieve one single thing except put ourselves further in debt, unless there is a reassessment of the way this money is spent. Whether the House of Commons gives its consent ultimately to the government for $5 billion, $10 billion, $12 billion or whatever, unless those funds are allocated properly and spent to develop the economic potential of this country, unless there is some investment that is designed to achieve the generation of some wealth, the accompanying activities of all these other departments which are intent on distributing the wealth will not ultimately assure the future of this country. All it will do is bankrupt us a little sooner.

Some hon. Members: Hear, hear!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, this afternoon I should like to begin my remarks by seconding in part some of the things which have been said already about the lack of accountability to Parliament for just how the government spends these large sums of money on which it is in the habit of coming to Parliament for approval.

We in the NDP believe that there ought to be more accountability to Parliament for how the government spends its money. In fact, as a relatively new member, I should say that it is one of the things I have yet to get a sense of, how we in this Parliament are in any way like the Parliaments I came to know in abstraction through learning about the role of Parliament in British history, for instance, that the first and fundamental role of Parliament was control over spending. I certainly have no sense as a member of Parliament that I have in any way exercised any form of meaningful control over how the government spends its money. In fact the whole process is somewhat confusing.

I think moves should be initiated which would make life simpler for members of Parliament. I do not say simpler in any way that would reflect upon the intelligence of members of Parliament, but simpler so that all members, and indeed the citizens of Canada, could understand just what was going on with regard to the spending of their tax dollars. I think this is an erosion of parliamentary democracy about which we ought to be very, very concerned.

I want to make clear that we at this end of the House, in any case, are not against government spending on principle. We do not see government spending as some form of demonic force which ought to be opposed simply because of its very existence. Sometimes I hear that kind of perspective coming from my Progressive Conservative colleagues to the right. We believe it is not accurate and it does not do a service to Canadians to just get up and talk about government spending as if it could be talked about as a homogeneous lump of spending. There are differences between kinds of government spending.

There is a difference between investment in the future of Canada, whether that investment be in the health of Canadians, which I will have something to say about later, or whether that investment be in building the transportation systems and the energy capacity we will need for a strong future. We think a distinction needs to be made between that kind of spending and spending that is just so much money down the drain for projects which are more aptly described as Liberal patronage rather than investment in the future. Distinctions need to be made between long-term spending—investing of public money in those things which will produce assets for the future—and short-term operational spending. Also distinctions need to be made between that money which we owe ourselves and that money which we owe foreign countries.

My opponent in the last election campaign wanted to describe the deficit. I just forget how he said it, but it was something to the effect that if we piled up the one dollar bills they would be seven miles high. He never made any distinction between to whom that money was owing and for what pur-

poses it was owing. It was kind of a scare tactic designed to create within Canadians a fear of their own government. If there is anything Canadians need more of and not less of, it is a positive view of government. They need to begin to see government as an instrument through which they can act to enhance their personal freedom over those forces which by now are much, much larger than most of the governments of the world. I am thinking particularly here of global and multinational corporations. It is through perceiving government as a positive instrument that Canadians will come to see alternatives to the forms of domination which they know now. This sort of uncritical talk about the size of deficits and the harm which governments do to the country is a very, very one-sided and dangerous way of speaking about society, as if there were only governments and individuals involved and not these other very, very large and powerful actors on the same stage.

One thing we hear a lot about when we hear people talking about government spending is the soaring costs of health care. I am particularly referring again to my colleagues on the right and their provincial counterparts in the various Conservative provincial governments. As a result of their believing this, we have seen an attempt to cut back on expenditures in health care at the level of provincial spending on the part of many provincial governments. I think it is important to say that only a while ago—in 1971, I believe—both Canada and the United States were paying approximately 7 per cent of their GNP for health care costs. Canada is still paying approximately 7 per cent of its gross national product for health care costs, and the United States, which has a private system of providing health care for its citizens, now is paying 9 per cent of its GNP for health care costs. This is not only a significant numerical difference, it is a significant human difference when one considers that the extra percentage is being paid not by governments but by individuals who happen to have the misfortune of being sick and therefore have to put forward the increased costs they experience by virtue of living in the United States and not in Canada where we have a publicly-funded health care system.

There is a growing anxiety about our medicare system related to costs and also related to a number of other phenomena which I want to mention briefly. There is the anxiety of health care workers who now see that they are doing much more work with much less staff for a much lower standard of living than they used to have. People are overworked, and underpaid, and we see the results of this in the frustration which health care workers in Manitoba are now expressing through their strike action this very week.

● (1540)

We can only expect our health care workers to go on for so long, doing very strenuous physical and mental work as they look after patients. They are constantly on the edge of human suffering and are constantly being faced with the most difficult of human situations. Yet we expect them to operate within tighter budgets than almost anyone else. We put ceilings on the amounts of money available to maintain their standard of living. This is done in a way that we do not do for other sectors in society, and it is no wonder that we are now experiencing things like strikes.

We see a growing anxiety about the percentage of money that is going toward health research in this country. Since I became the health critic for the New Democratic Party, I have received a number of representations about the dismal effort that the Canadian government has played with regard to the provision of funds for health research.

We see more and more doctors opting out. More and more of them are extra billing, or balance billing as it is sometimes called. As a result of this, more of the costs of health care are being transferred to the private sector, and in this case to the individual patients.

As I mentioned before, we see cutbacks in hospital staff and services. We see people waiting in the hallways on Monday morning, and lying on stretchers in the hallways because laundry is no longer done on a weekend as a result of cutbacks in staff and a refusal to have people in on the weekends because they might have to be paid overtime.

Recently we have seen premium increases of 22 per cent in Alberta, 15 per cent in British Columbia, and exorbitant premiums already in the province of Ontario. These are the three richest provinces in the country, and yet those three provinces are the ones that charge premiums. This brings me to another matter that I will mention later and that is that fundamentally the problem with our medicare system is not one of cost but one of attitude.

We need to arrive at a place where we do not talk about how much health care costs, but instead talk about how much ill health costs. It costs us not just in the short run but in the long run. It costs us in terms of human resources and in terms of human happiness. I presume this is the goal of our getting together here in this Parliament. It is not to toss back and forth abstractions about deficits and government spending and what-not, but to ask how we can put our minds together and build a better life for Canadians, not only for the present but for the future. If that is not the goal that we are about, perhaps we ought to pack in this whole exercise.

There are concerns about health care costs. I think it is important to mention them, but not the cost concerns that we are so sick and tired of hearing about from our friends on the right. Our friends on the right here are so afraid that somebody might be coming in and getting a service from a doctor when it is absolutely not necessary. Two of my Conservative opponents in a row now have made much about how people might be coming to see the doctor for every little ache and pain. This is supposed to be an argument to tighten up our medicare system.

Some provinces have introduced deterrent fees and other measures that will reduce the use of the health care system. Deterrent fees will not deter those people who are in the habit of wanting to see a doctor every time they are not feeling well. Deterrent fees will only deter those who cannot afford the deterrent fee. That set of circumstances has been proven in Saskatchewan, and it is an issue that I am very sad to see and

sad to say that we are having to fight again. Talk of this kind of measure is being heard again, in New Brunswick and in other places.

As I said before, there are some cost factors when it comes to health care. There are legitimate cost concerns. There are cost concerns about the overemphasis on institutional care and the high cost of this kind of care. This is a problem which can be resolved in part if we were willing to use our imagination, and our knowledge that people get well faster and feel better when they are at home, or when they are in a more human setting than that which can be provided in hospitals. But we must not use this insight, as some governments have done, to do what they call deinstitutionalization. This must not become an argument for just turning people out on the streets and then providing them with no back-up support. Nor must it become an argument in which glib phrases are uttered about how the family ought to be looking after family members more than they do now, and in a way that they used to care for them. In our modern society where there is so much mobility and anonymity, often people who are turned out on the streets do not have any family in the particular city where they are to look after them.

As we de-emphasize institutional care to the extent that we perceive it to be necessary, we need to provide the financial support and services and staff to look after people in their homes and to provide them with that kind of service. That will not only be a more human kind of health care system, I believe it will be a less expensive health care system than the heavily institutionalized form that we have now.

There is a lack of co-operation between hospitals when it comes to high medical technology. There is competition between hospitals to see who can get the most expensive technological unit. There is a hoarding of these kinds of capabilities. Here again we see the spirit of competition acting in its usual destructive way instead of having a health care system based on co-operation, enabling hospitals to make the maximum use of machines no matter where they were located. That is a cost factor that we would like to hear more about.

Of course there is the cost factor of lifestyle, that is, people who do not take enough responsibility for their own health. In this connection I believe all Canadians find themselves guilty in one way or another, some more obvious than others. More emphasis will have to be placed on this aspect as we move into a more preventative notion of what it means to be healthy, and a more preventative notion of what it means to have a quality health care system.

Our doctor-centred model comes to mind, where too many things, things that do not need to be treated in this way, have to happen within the context of the fee-for-service-doctor-centred model of medicine. If we had the freedom to seek more use of paraprofessionals and others who would be able to deal with problems that do not necessarily have to be dealt with by a doctor within our medicare system, we would again be addressing ourselves to a legitimate problem of cost and how we might reduce our health care costs.

Of course, in the whole question of health and its relationship to other matters, including health and its relationship to social policy, and its relationship to social services, one cannot separate a person's health from the kind of house in which that person lives. We cannot separate human health from the total context in which human beings are asked to live out their lives. Providing excellent quality health care in the absence of providing people with decent living conditions, working conditions, and a decent environment in which to live, is to have a very single-minded and inadequate view of what it means to promote human health in the long run.

● (1550)

We are not against government spending on health care, because we make a distinction between government spending on something which is as fundamental as health care and government spending in other more frivolous areas. The government must spend money on existing services which will not only expand but live up to the original vision of the health care system which was embodied in the report of the Royal Commission on Health Care Services headed by Mr. Justice Emmett Hall in 1964. Canada needs a comprehensive health care system.

The government has lived up to only a very small part of what was originally envisioned by that commission. More money must be spent, as I implied earlier, in the whole area of prevention and enhancement of health before one becomes sick. I referred to enhancing the environment, the living conditions and working conditions under which people exist. In all these areas the federal government and provincial governments have been and are responsible.

We once had a cost-sharing program in which the federal government and the provincial governments shared the costs of the health care system. But in 1977 the federal government initiated what came to be known as the Established Programs Financing Act. It was a federal initiative which was designed to cap federal expenditures on health care. It is important to remember this fact because so much political attention has been paid to the way in which the various provinces have abused the freedom they received under the block funding system. Many people have forgotten the origin of this particular scheme. It was initiated by a federal Liberal government and was a move to put a lid on its commitment to health care spending.

The federal government is not only not blameless with respect to the gamble which it took with health care, but also with respect to its original intention in suggesting this block funding scheme. Whatever changes may be forthcoming to the health care system, the federal government must not put us in the situation where it hassled the provinces into health care and then leaves them without the capacity to fund the program as it withdraws from this very important field.

Some of the insights behind the block funding program were very good, and I think that it is important that I point some of them out. One feature was that it would give the provinces more freedom to decide where the federal money would be

spent. One of the limitations of the old system was, for example, that if the federal government decided to fund acute care beds and not fund chronic care beds, then there would be an overbuilding of acute care beds and an underbuilding of chronic care beds. This led to the serious situation which can now be found in many Canadian hospitals, that there is a serious shortage of chronic care beds, and people who are in need of chronic care are taking up acute care beds.

The provincial governments were given a certain amount of freedom under this scheme, as it was felt that since they are closer to the people they should have more say over where the money should be spent. But this proposal came at a bad moment in history, because the arrangements of federal-provincial cost-sharing programs do not happen in a political vacuum. They, of course, happen at a particular time and place in the political history of Canada. In addition to certain inadequacies inherent in the block funding proposal, it was introduced at a bad political moment, just as we had a wave of so called neo-Conservatism spreading across the country like a plague, and just as the provincial governments thought that their first duty was to use health care as an avenue of fiscal restraint. Instead of the freedom which the provinces were supposed to receive under the block funding arrangement being utilized to innovate and to expand, this freedom turned into licence to use health care as a means of fighting what was perceived to be inordinate government spending.

To a certain extent and, on those grounds, it is fair to say that block funding never really received a decent chance. There is some question as to whether or not it should be given a second chance because of its inherent faults. But because it came at this bad historical moment, block funding never really had a chance. Two exceptions are the provinces of Quebec and Saskatchewan because they used this freedom in a more creative way.

The federal government will have to take action to bring the provinces which are abusing their freedom under block funding arrangement into line. To a certain extent the answer given three times now by the Minister of National Health and Welfare (Miss Bégin) in response to questions about health care, to the effect that nothing can be done until the review of the health care services by Justice Hall is completed, is legitimate. I can understand why the minister does not want to comment on this subject before the Hall report has dealt with some of the problems about which she has been asked.

But I have no illusions as to whether or not the Hall report will be implemented the day after it comes down, given that the government agrees with its contents. In the meantime we are hearing more and more every day about how the medicare system is being eroded at the provincial level through the charging of premiums, deterrent fees, extra billing, opting out and cutbacks in hospital services. We must act now. If the minister must wait for the Hall report, then that is fine. But after it is completed I call upon the minister to act expediently to bring the provinces into line.

I call upon the minister to act soon, so that when the subject of health care comes up with regard to what will be the federal responsibilities and the provincial responsibilities at a constitutional conference, we will still have a health care system to discuss, and so that we can debate legitimately which government will provide the funding, instead of being in a situation where far too much of the health care costs has been transferred to the private sector already by all these devious means. At this point the debate on who will administer and fund health care would become, to a certain extent, academic.

We have a very young health care system. It is only 18 years ago that the battle for health care as a right was fought in Saskatchewan. We have a very young, philosophical mongrel type of system. We have a publicly funded system mixed with a fee-for-service view and an entrepreneurial view of medicine. Some of the strains which were built into the original compromise are becoming more tense. The battle, as I said before and as we see it from this corner of the House, is fundamentally not a battle of cost, but a battle of attitudes and how we are going to perceive health care within the context of the society which we wish to create in Canada.

We must see health care as a right of individual Canadians and as something which the community and the country which we call Canada perceives in such a way that to the extent that individuals suffer, then we all suffer, because we are connected not merely in the phony connection of the market place, but as human beings. When we begin to see health care in that way, we will not have to ask where the money is going to come from for health care. We will not pass millions and millions of dollars without debate in one day in the form of tax expenditures, and then spend months and months moaning and groaning about the cost of health care. It was $32 billion in tax expenditures alone in 1978.

● (1600)

When we come to the point that we regard health care as a right and not a consumer commodity to be exchanged in the marketplace, all these problems of cost will disappear, at least in the way we so often hear about them. We will be willing to pay the costs in order to ensure a future of which we can all be proud. We will not have to fight the battle for our health care system in Canada every ten years. It should have become part of the fabric of Canadian society long ago. It should not be something that is attacked periodically, as it has been recently. I hope, when we consider supplementary borrowing and all these questions of government spending, that we will take into account that it is important to spend money on health care.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I wish to make a number of comments on the bill now before the House because when I look back on what has happened in the last 24 months in this House, I believe that the attitude of the government in introducing this bill is the worst example of irresponsibility that I have ever seen.

I well remember and realize the purpose of this bill which asks for a borrowing authority of $12 billion to meet cash requirements and provide a sufficient margin to deal with contingencies. All Canadians, and the government especially, are well aware of the present economic situation. This economic situation has been brought about by the present government.

I do not think that anyone can accuse us of having accumulated a debt of nearly $70 billion after four months in power, but it seems that the administration of the last 15 years has brought about this situation which looks more and more like a bankruptcy of horrendous proportions. The members of the government who worry about our reluctance to support such legislation, should understand that, in all honesty, it is not only difficult but impossible for us to comply with the invitation made to us by the Minister of Finance (Mr. MacEachen), who was in such a hurry himself to refuse us much less than what he is now asking for.

Mr. Speaker, I believe it is important for the Canadian people to know one thing. I would like to go back—and this is directly relevant to this bill—to about May, 1978, when we were already speaking about an election campaign. I remember quite well that the then minister of finance, who understandably no longer holds that portfolio, the hon. member for Saint-Maurice (Mr. Chrétien), and the then minister of energy, mines and resources were already speaking about the importance of increasing the price of gasoline because it already was a heavy burden for Canada to continue to subsidize the price of oil so that Canadians could pay less than world prices.

The mandate of the government was over and elections were postponed three times for totally political reasons, and it is important, Mr. Speaker, that Canadians remember these events which are not so far behind us. The government therefore refused to face its responsibilities. The year came to an end and, in 1979, an election was finally called, which enabled us to make an in-depth study of the economic situation of Canada.

The Canadian people should remember that because the government refused to face its responsibilities at the time, the Minister of Finance, who condemned us only four months ago because of a budget which I shall explain later, now asks for a borrowing authority of $12 billion even though everyone recognized several months ago that government expenditures were already exceeding the normal level. And in May 1979 we had an opportunity to make in-depth analyses of this government's economic failure. And the senior officers, I remember very vividly for having been part of cabinet and therefore tremendously lucky in obtaining information, told us this increase in expenditures had to be stopped, they had to be cut and contained, as the warning had been given the government two or three years past, but for purely political reasons the price of gas had not been increased before the May 1979 election, expenditures had not been restrained, because certain projects were cut for purely partisan reasons. The responsibilities of any member sitting on either side of this House were not assumed.

And for that reason the analysis was not easy. However, we are now blamed for not having brought forward a budget before seven months. But although four months have now gone by and the Minister of Finance has yet to give us any indication, he is now requesting a blank cheque for $12 billion on money he needs of course. The government needs money, but they have not yet found any, and God knows, Mr. Speaker, if the Minister of Finance is aware of this country's economic plight, though he has been in cabinet for 15 years.

That budget did not undergo major changes, except that we attempted in those seven months to make a difficult analysis, as I said, that forced us in Canada's interest to restrain expenditures and show courage toward Canadians, placing them squarely before the economic situation with which we were confronted by the previous government. And this we did. Ours was a tough budget and it was necessary. I think that in the country as a whole, including my colleagues opposite if they showed any sincerity, people would recognize today that our proposals were taking into account the reality and the difficulties experienced by Canada now and some seven months ago. But it was not a popular measure, it would not pay up political dividends and as the thirst for power was more acute than the care for Canada's interests, it is for that reason that we were defeated barely three and a half months ago. There are no other reasons, Mr. Speaker. At that time we were fully guilty of having tabled such a budget because we wanted to put Canada back on the track to prosperity and stop letting it go adrift, finally to end up in an embarrassing failure when having to explain it to people who are not Canadians. Those seven months had also enabled us, I think, to give evidence of a new sense of direction thanks to the proposals that we had made and I was quite pleased to see my cabinet colleagues make proposals and give an account for everything. One had to show a good deal of audacity to explain to Canadians that belt tightening was not simply empty talk but that it meant action on our part. And the point was that we had begun acting by bringing forth corrective and drastic measures regarding government expenses and most ongoing projects.

An hon. Member: The people passed judgment on that.

Mr. La Salle: I'll get back on that subject later.

● (1610)

Well, Mr. Speaker, we knew that the measures we were putting forward three and a half months ago were the necessary remedies. Of course, because of its craving for power the government now in place, in collusion with the members of the New Democratic Party, considered it was time to bring the government down because we were in a minority position, of course, but even in a minority position we did not have the

right to refuse to face our responsibilities, and that is what we did.

An hon. Member: The people have spoken.

Mr. La Salle: During the election campaign, Mr. Speaker, this government showed unprecedented hypocrisy, bordering on dishonesty. First, they condemned our position on the gas price increase. There is nobody opposite suggesting now that the price of gas will not go up. But they did not talk much about it. They did not talk about it as long as possible, and they said we were wrong. Of course, for the everyday man, an increase of 18 cents is a lot. But those Liberals opposite knew full well that has been necessary for the past three and a half years if we were serious about self-sufficiency.

When we were talking about self-sufficiency, it was a way of going and getting the revenues where we had to go and get them because we did not want through a general taxation formula to tax those who do not have a car, a poor lady who would have had to pay taxes to help those who use a car. We thought that was an unpopular, but fair, and particularly necessary measure in view of the unprecedented spending and deficit we had. Our budget, I want to remind you, Mr. Speaker, included in addition to those measures that were necessary, the assurance that our budget deficit would be reduced over three to five years, and that was interesting and important for businessmen. Indeed, businessmen did not blame us on the proposals we had already made public. But in spite of the increase in expenditures that was turning out to be ridiculous as the result of the policies being carried out by the present government, they wanted to go ahead with things like a second rail line in western Canada, a second phase at Mirabel which is currently in the red. Of course, it was tempting for older people to have been offered the small amount of $35, which adds up to approximately $400 or $450 million, I think. We could have promised $50, Mr. Speaker. We had already considered the whole issue. The then minister of national health and welfare (Mr. Crombie) did a thorough analysis of the situation in order to increase the amount and give elderly people a decent income while managing to keep within the limits of the economic envelope and avoiding a larger budgetary deficit. That is the difference.

But no, the Liberals told the public that we were wrong and that the government was still in a good borrowing position. Today the parliamentary secretary points out that things are getting more difficult to manage because it will cost us nearly $11 billion to service the debt this year. That is the situation we are in now. That is $11 billion spent in a very negative way; there is no doubt about it. Think of all the things Canada could do had the government not sunk us so deep into debt, Mr. Speaker. But Canadians will have to realize that time has come to restrict government spending and put the economy back on its feet, and the sooner, the better.

Will Canadians be spared the increase in the price of oil? I ask the question of our friends on the other side.

An hon. Member: No tax.

Mr. La Salle: No tax. They will pay the price through their income tax, then. It is only a different formula. How much will Canadians have to pay for this enduring mismanagement? Of course, my friends opposite remain silent.

As usual they will be party to such a legislation which will compel Canadians to pay more for servicing an enormous debt. But that is not new, and the people will wake up.

An hon. Member: There is no need to shout so loud, the people have heard you!

Mr. La Salle: Mr. Speaker, the people cannot maintain in power for many more years representatives who demonstrate such irresponsibility and such incompetence. That is impossible, Mr. Speaker. And I am sure that the time will come when Canadians will realize what sort of treason they fell victims to during the last election campaign.

An hon. Member: Vox populi—

Mr. La Salle: It is perhaps because we have been more honest than our hon. friends opposite, Mr. Speaker, and it is not easy for anybody involved in politics to be honest.

An hon. Member: That is why you are still in the opposition.

Mr. La Salle: My hon. friends opposite are not aware of that. It is not easy to show enough courage.

Indeed, during the last election campaign, I saw Liberals behave like wolves in my constituency—and I said so not such a long time ago—roaming everywhere to bother elderly people and get then all worked up about the $35. They were telling them if you vote for the Liberals, you will get $35 a month, but if you don't you may not get it. They went so far as to make Quebeckers believe they would lose their family allowances and might have their old age security pension reduced. That is how they campaigned—

An hon. Member: Louder!

An hon. Member: Why did you support those $35 earlier, then?

Mr. La Salle: In my constituency they did not vote for that, they did not vote for you. That I want to point out.

Mr. Speaker, here we are today after this hypocritical campaign—and the word is not too strong—facing a Minister of Finance who refuses to bring down his budget to tell us what he intends to do with these $12 billion. Moreover, these gentlemen are so inconsistent that they think we will bend to

their will because Canada is in a delicate situation. It is the responsibility of the gentlemen who sit on the other side.

Mr. Speaker, we are not eager to make ourselves accomplices of such an economic failure. I am one of those who will prove that our budget was a factual budget and, incidentally, all that the Minister of Finance has come up with until now were propositions which were made by us. To date, he has not brought up anything new, just his old habit of getting Canada into debt. He wants us to increase Canada's debt by $12 billion. We think that enough is enough and we will not be accomplices or refuse to march to the tune of such incompetent people, Mr. Speaker. This is really true, Mr. Speaker. I would be so embarrassed to be on the other side of the House and to ask for a credit of something like $12 billion whereas those people asked us to reduce the budget deficit only four months ago. We were asked questions, and the then minister of finance, the hon. member for St. John's West (Mr. Crosbie) demanded proposals to reduce the budget deficit because Canada could not afford it, and because Canadians could not go on paying for debt servicing through their taxes.

It is unbelievable, Mr. Speaker, and Canadians should know that there are people in this House who were on this side hardly four months ago and who blamed us, who requested an oil price, who urged us to cut down our expenditures, and today, most of them are very silent and let the Minister of Finance—and I understand them, it is embarrassing. How can they justify an increase in government spending, an increase in government deficit, when the evidence of this economic failure is most obvious. That is the type of government we have. It is important for Canadians to know why we cannot support this measure.

● (1620)

When we talk about contingencies, Mr. Speaker, just for your information, to show you how our affairs are managed by this government, to demonstrate how this government has been not only irresponsible but incompetent, I shall tell you—

An hon. Member: It will be the third time you have said it.

Mr. La Salle: I shall never overemphasize the fact that this government is incompetent and some Canadians are going to believe it. Indeed, a great many Canadians did believe it. Recently, I had a look at what the President of Treasury Board (Mr. Johnston) endorsed as supplementary estimates. For the Lachine canal in Montreal for instance they had figured $50 million. I was only going to ask the President of the Treasury Board if they had decided to build a second canal since the additional funds total a mere $45 million, 90 per cent over the initial cost, only peanuts.

I take the example of Trois-Rivières where the initial cost of a small contract of $15 million has been increased by 65 per cent. The President of the Treasury Board authorizes those expenditures with a stroke of the pen. It amounts to $639 million. I do not have time to list them all as there are 400 such projects. This goes to show you, Mr. Speaker, what type of administration Canadians have chosen for themselves. It is important to emphasize it. It is important because the people opposite will not tell it. So, Mr. Speaker, I can assure the House that my co-operation will not be forthcoming in this debate.

Before I resume my seat I should like also to remind you that in our proposals we had something for poor owners. It was a compensatory measure well thought out and well prepared, in the spirit of that just society that the Prime Minister has long since forgotten. We were going to help the construction industry and today I heard, and I think that the hon. member for Gatineau (Mr. Cousineau) is here, that 120 workers in his riding are losing their jobs because of problems in the construction industry. The assistance we wanted to provide for home owners in view of interest costs was a highly useful and positive measure. However, this was defeated because, as I remember quite well, when we introduced the bill, we were told that we had forgotten about tenants. What has the government introduced for tenants in the last four months?

The Minister of Finance refuses to present a budget, supposedly because he does not know the price of oil. At least, we had an agreement in principle on oil. We had an agreement in principle, but the present government certainly does not have one. In any case, Canadians will pay more for their gas, they will go deeper in debt, and they will see part of their taxes used for the service of a debt which has become excessive. This is the type of administration that we now have, and we are asked for a blank cheque, for a borrowing authority of $12 billion for a government which is unable to present at the same time a paper which would provide explanations and information on how these $12 billion will be used. Mr. Speaker, this is asking too much. I believe we have no right to accept this blank cheque that the Minister of Finance demands because we have proof of his lack of knowledge in view of the reluctancy he has shown in this House about presenting a budget which could stimulate the Canadian economy. I have said that we gave a new direction to the Canadian economy by the service and the role that we wanted to provide for the private sector, and we would have obtained rather extraordinary results.

For political and partisan reasons, this government decided to defeat a government which wanted to implement measures to correct the situation, and Canadians are now disappointed, as we shall see in the months and the years to come. We shall continue to urge the government to present budgets within reasonable time limits and to introduce measures to correct the situation, and I believe that the House will agree that it is urgently required, but for this we need much less irresponsibility or fewer irresponsible people than we now have, and I hope that Canadians will realize what is happening and allow us to put this country on the way back to prosperity and prevent the

bankruptcy which seems imminent because of the present government.

[*English*]

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, my contribution to the debate will be brief. Listening to the hon. member for Joliette (Mr. La Salle), something I have had the pleasure of doing for many years, I could not help but note, as I listened to his useful contribution, that perhaps it is time members opposite forgot the fact that they lost an election. It seems to me that most of their contributions, covering the widest range of subjects, reflect a preoccupation with the fact that they are no longer in power. I have listened to the hon. member for Joliette, to the former minister of finance, and to other members rising at every opportunity, repeating, retracing the events in December which led to the defeat of that government. Every time I listen, the events are depicted or described a little differently.

The government which was defeated in December was defeated because the opposition, exercising its democratic right, in its collective wisdom decided that the government was not capable of administrating the affairs of the nation. That is the political process under which we operate. But what the members opposite never state is that on February 18 the people of Canada, in record number, went to the polls after listening for two months to the arguments of the government as to why the opposition parties were irresponsible. They listened to the explanations as to why the concepts of the then minister of finance were logical, to assurances that there was a master plan which would restrain spending, revitalize private industry, and do all the proper things.

The people of Canada had 60 days in which to evaluate the events of that fateful night in December, to listen to the arguments of the minister of finance, the leader of the government of the day, the hon. member for Joliette and others. If the party of the hon. member for Joliette had a case, then the people of Canada had an opportunity on February 18 not only to return that government to power but also to do it by a substantial majority. They did not do that, and I am surprised that hon. members opposite are still discussing, reviewing, and moaning over the events of December 14, or whatever the date was, and saying nothing at all in debate about the events of February 18.

• (1630)

As I recall that election campaign, night after night the then minister of finance and the then leader of the government went on television and leading ministers went across the country, talking about the irresponsibility of the Liberal party and the New Democratic Party, and the copping out in their responsibilities of the Creditistes. The message was pure and simple. Hon. members opposite said that if they were re-elected, they would bring back exactly the same budget, and they gave their reasons. That is exactly the message which came through every day and every evening on the news. It dominated, quite logically, the speeches of the members of the government of the day. Why? Because they believed in their philosophy. They believed that it is necessary to put more people out of work in order to balance the budget.

They went back to Adam Smith's concept. They tried persuasively to tell Canadians that in December the opposition parties had acted collectively and irresponsibly. The Canadian people did not accept their version of the events. If anything, the Canadian people applauded what took place in this very democratic Parliament in getting rid of a government which, if it had not been defeated at that time, would have brought us back to the good old days of R. B. Bennett. There is nothing different in the philosophy of the former minister of finance and the minister of finance of the hungry thirties. There is nothing different in the policy re-enunciated a few moments ago by the hon. member for Joliette and those which brought us the terrific depression of the thirties.

I am not a cabinet minister; I can criticize. In the United States the President said on television Saturday or Sunday—it was Sunday morning when I heard him—"We miscalculated, it is not going to be a recession, it is going to be a deep depression," and he urged Americans to start spending. "Spend, spend, spend", was exactly the message which came from Schultze. There has been a whole series of speeches and public interviews on American television over the last four weeks. Schultze, the economic adviser to the President, was really saying that once again the ability of the American administration to fine tune has been miscalculated. To fine tune what? The level of acceptable unemployment? I never thought the day would come as a politician or as a member of Parliament that one's success would be measured by one's ability to put X number of people out of work. I am talking now about the previous government for the moment.

Mr. McDermid: You are the one complaining about relevancy.

Mr. Mackasey: I will be talking about this government in a moment. I am responding to the speech of the hon. member for Joliette, who had every right to make a speech. He had every right to get up and say that his government was right, that its policies in December were accurate, and that we should never have defeated it. He was unable to sell that argument to the Canadian people in February, and if we are back in the House of Commons as the government it is not because the party of hon. members opposite was defeated in December but because when the Canadian people, when given an opportunity, decided that they preferred to re-elect a Liberal government with a majority.

Mr. Malone: Two provinces.

Mr. Mackasey: If there had been any substance to the argument of the hon. member for Joliette that somehow we defeated the government because we were being expedient, ganging up and taking advantage of a minority government, and if Canadians really believed it, they would have shown their displeasure with the opposition parties by seeing not only that they did not form a government but also by making sure that the Conservative party came back with a majority.

Canadians, in their wisdom, said, "No, thank you". The older generation remembered the Bennett days, and the younger generation could not understand a policy which, as pointed out in the support papers to the budget, would result in a level of unemployment of 11 per cent, 12 per cent or 13 per cent. That is as I remember the document.

An hon. Member: Read it again.

Mr. Mackasey: The hon. gentleman is a little excited. The support papers of the budget predicted a much higher level of unemployment than that which prevailed when the government of the day took its place. The minister at that time explained that it was unfortunate that it would create a terrible burden but that it was a natural reaction to the policy of his government in the short run. However, he said, "Cheer up, in the long run we will all be better off".

What was the big issue in that election campaign? I know that in the area I represent it was not so much an increase in excise tax on gasoline, although that became the big issue. After all, there had been precedents for excise tax. If I recall correctly, there was a seven-cent excise tax in place. Perhaps I may be forgiven if I am a little rusty. I have not been around for four or five years, but if I recall correctly there was an excise tax of seven cents, and I do not think the average Canadian would have been too concerned if that was increased. Canadians were angry because it was increased to provide money for a mortgage interest deduction scheme. However, more particularly in my riding what made the difference, and what made people vote for the Liberals and against the Conservatives, was who that excise tax was levied against.

For the first time in Canadian history a government imposed an excise tax on the gasoline being used by the farmers of the country, which was a discrimination. For the first time in history there was an excise tax on the gasoline being used by the fishermen of this country.

An hon. Member: Tell us about the rebate.

Mr. Mackasey: The rebate comes to the same thing. How could hon. members opposite expect people who travel 15, 20 or 25 miles to work by public transportation to accept an excise tax on the gasoline used by public transportation?

An hon. Member: You are going to do the same thing.

Mr. Mackasey: I am sure hon. members opposite did not realize that the excise tax applied even to the transportation of handicapped people.

Mr. MacDonald: Terrible.

Mr. Mackasey: I can only commiserate with the backbenchers who had to live through those days. Somebody in that party had to be extremely insensitive to apply increased excise tax to those categories I have just mentioned.

Mr. Paproski: Mr. Speaker, I rise on a question of privilege. I know the hon. member would not want to mislead the House, because he is one of the finer members in this chamber, but I want to bring to his attention that there was a tax rebate for any person who was disabled, as far as the excise tax on gasoline was concerned.

Mr. Mackasey: I know that there was indeed a rebate through the income tax, not only for disabled people but also for anyone who had to pay increased excise tax. That was recoupable through income tax. I simply say that hon. members opposite did not sell that concept very well. However, that does not in any way, shape or form change the fact that for the first time taxes were imposed on farmers and fishermen, and for the first time an excise tax was imposed on public transportation. If disabled people were being asked to recover it somehow through their income tax, and half of them have no income tax to recover it through, it was at best an insensitive application of an excise sales tax. There might have been some justification. After all, the government has ways and means of discouraging the use of automobiles for unnecessary purposes.

If the government felt that the money should have been directed to people to help them with their mortgages, so be it. That was the policy of the government. The point I am getting at is that the Canadian people realized that, sure, some day they are going to have to pay considerably more for gasoline, but they did not think the method of application of that excise tax on gasoline should have been so insensitive.

Normally hon. members opposite would have been sitting on this side of the House for four or eight years. That is the normal pattern of politics in this country, but the reason they are not sitting on this side of the House can be summed up in one word: insensitivity. They were insensitive in applying increased excise sales taxes to the farmer. I recall people saying in my community, "I do not understand. No matter what the price of fuel is, no matter how difficult it is to live with these interest rates, we have no choice but to use gasoline in our daily work; we have no choice but to use gasoline for our tractors, our trucks and our automobiles."

● (1640)

I cannot understand why the hon. member for Joliette failed to understand the anger in the rural community when people realized for the first time that, in the eyes of the government, their use of the tractor was not that necessary in the economy of the country. So they showed their collective anger on February 18 in the most legitimate way it can be done in a democracy, namely, by voting against the government and voting a new government in.

So long as the opposition members want to devote most of the time in the question period and in their speeches rationalizing the policies which led to their defeat, that is great for us. It means they do not have time to come up with new ideas, new principles, or new concepts or to show that they have learned anything from their defeat. As a matter of fact, one of their most laudable traits, a positive trait, to me, of the minister of finance of the day or the prime minister of the day, was to say, "If we are re-elected, we will bring back the same budget without any change. We have learned nothing. There is noth-

ing we have learned in the 60 days. We have not made a mistake". It would not have been hard to say they made a mistake. They could have said, "If we are re-elected, we will not apply the excise tax on gasoline to the farmers, to the fishermen, to public transportation, to travelling salesmen and to other people who have to use their cars and use gasoline in order to earn their living, not for luxury. In that respect perhaps we are wrong and we will provide for an exemption for these groups, even if it means adding, in the spirit of conservation, two, three, four, five or ten cents to the tax of other people who use their cars part of the time for unnecessary travel."

I think that kind of flexibility on the part of a government seeking re-election might have had a dramatic impact on the outcome of that election. When you go into the rural areas, or into the Atlantic provinces and say to the people "Re-elect us and we will guarantee that we will impose the terrible tax which you have to pay for the first time, despite the problems you have in earning a living or to break even, but we will do so for your own good and you will feel the beneficial results 20 years from now," and then to come out and refer to the background papers in the budget predicting the state of the economy five years down the line, predicting a substantial increase in unemployment figures, all this is hardly designed to win friends and influence people in the industrial sector. So I am at a loss, as a friend of hon. members opposite, to understand, even at this late date, 60, 90 or 120 days after the election, their motivation for saying that they were right in December, they were right in the election campaign, and that even if the people defeated them on February 18, the people did not know what they were doing, and in the next election they will come back with the same outmoded concept. That is music to my ears.

An hon. Member: Why is MacEachen doing the same thing?

Mr. Mackasey: The hon. gentleman over there is doing very well looking through his papers. If he has an argument with the present Minister of Finance (Mr. MacEachen), I am sure that he is quite capable, as one of the future leaders of that tired little band in the corner, to make his case during the question period.

I am pleased and satisfied with the statement of the Prime Minister (Mr. Trudeau) today that no matter to what degree we are committed to restraint, to reducing the accumulated deficit, we will not do it at the risk of increasing unemployment in a country where the level of unemployment, so far as I am concerned, is already too high.

It was consolation to know that despite the pressures of the opposition in the question period, despite the pressures from certain financial institutions, despite the pressures from some editorialists, we will not be decreasing the deficit by cutting back on those programs that are so badly needed to stimulate the economy at a moment when we are suffering from an over-reaction by the United States government to the whole issue of inflation. I have never been convinced that inflation in the United States is the result of too much money chasing too few goods. On the contrary, I think it is self-evident that it is related to the high cost of petroleum, and I think the opposition is right when they make that case. I think we make the same case. But be it as it may, unemployment in the United States spills over into this country if for no other reason than that as our best trading partner they take in many of our exports, and if they are not buying because their economy is, or will be, at a stand still, this is bound to have a negative effect on this country.

It is at that time in our economic history when the government of the day has to stimulate the economy. The hon. member from the New Democratic Party spoke very recently and very persuasively about the tendency of some bureaucrats to advise this government. Perhaps the difference between the two governments, the Clark government and our government, is our ability to resist bad advice. Whatever the reason, medicare is a perfect example of what happens when private enterprise and government are competing for the same shrinking funds.

I have often likened our system in Canada, particularly the one that this party has fashioned by reason of the fact that it has been in government for so long, to a marriage of convenience between private enterprise and social policy and social reform. We believe in private enterprise because obviously it is the most effective and successful generator of capital in world history, as compared to communist, socialist, or social democratic countries. Private enterprise, as epitomized by the Americans in the United States and, to a lesser degree, by ourselves, is still the best way of generating the capital we need. What does the government do? Our government simply said, "We would like to distribute some of that capital on those types of programs that should be synonymous with our way of life, that is, universality of medicare, universality of education, equality of opportunity, and minimal regional disparity through our transfer of payments". That is our responsibility.

When that pool of available capital becomes smaller and when there is legitimate competition for funds between free enterprise and social policy, then you have to, as the French people often say, pour a little water in your wine. Surely you do not want that marriage of convenience to end in divorce. It is obvious that the strategy and the policy of the Conservative party is to say, "This is not a convenient time for one of the partners in the marriage to advocate social policy and to be making demands." Perhaps it is not, nor do I think it is time that we should cut back these policies to the point that we destroy them, because these are the things that distinguish Canada from the United States.

Medicare is a perfect example of the difference between our two countries. When we say, as a government, that we are dedicated to equality of opportunity for Canadians, that should apply to all Canadians. It should mean that the level of medicare available to the people in the Atlantic provinces is equal to that in Alberta, in Quebec or Ontario. Already through block funding we have evidence that that is no longer

the case, that the "have" provinces are able to make medicare available with other features to their people, and to the more hard pressed provinces in the maritimes this is not possible. It is equally true in the field of education and in many other areas, that if you are going to have equality of opportunity, that equality should not end at the frontiers of the central provinces.

The minister is asking for the right to borrow $12 billion during the course of the year. The bill specifies that this is for public works and other purposes. I can only give you the description in the bill, which is not as hon. members opposite describe it. But I want to say that this party does not tend to balance the budget or reduce the deficit by cutting back our social programs to the degree that they would be outmoded and, in fact, unfair to most Canadians.

● (1650)

In conclusion, I would just say that it is time members opposite remember the election is over. When they are tracing the course of events leading up to today, they should start earlier, or not skip from December to today. They should remember that on February 18, after listening to their arguments as to the irrationality of the opposition for two months, the people of Canada had an opportunity to evaluate the programs of both parties. Perhaps they came to the conclusion that there was very little difference between the two programs of the parties. The main difference that I would agree to is the application.

I shoud like to come back to one example of many, that is, the increase in the excise sales tax in order to conserve energy and provide needed funds to help middle-class people with their mortgages. I cannot quarrel too much with that objective, but I quarrel with the application because, as usual, it wreaked the greatest hardships on farmers, disabled people, people dependent on public transportation, fishermen, and people less able to protect themselves. On election day everybody is equal in the country. The will of the people was that we have a change of government, after listening to the eloquent persuasion of the minister of finance and prime minister of the day.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. member for Etobicoke Centre (Mr. Wilson), I should like to deal with the late show for this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—External Affairs—Soviet Union—Reported reinstatement of cultural, scientific and educational exchanges; the hon. member for Halton (Mr. Jelinek)—Metrication—Economic development programs to improve employment in automobile industry; the hon. member for Prince Albert (Mr. Hovdebo)—Canadian Wheat Board—Losses to farmers due to U.S. embargo on grain to U.S.S.R.—Government policy.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we have all been entertained by the fatherly advice of the peripatetic hon. member for Lincoln (Mr. Mackasey). I am sorry he had to leave so soon because I would have liked to comment on some of the things he brought to our attention. One important observation he made was that after a certain progression of government policy, as the French describe it, we mix water and wine. That is one of the principal messages I should like to leave with the House today. When we have had over a long period of time the government policies that have been followed since 1968—and going back even prior to that—the result is that we are mixing water and wine. We are getting a diluted product which, in the illustration of the hon. member for Lincoln, was bad wine. Also we have bad dollars because the dollars today are worth less than half what they were back in 1968 when the right hon. Prime Minister (Mr. Trudeau) first took office.

I welcome the opportunity to participate in this debate on Bill C-30 to provide the government with the borrowing authority to raise $12 billion. This is a very, very important debate. Passage of the bill will provide the government with the opportunity to continue its programs for the balance of this fiscal year. The shocking part of it is that we know nothing about these programs. That is the key message which members

on this side of the House are trying to get across to the Minister of Finance (Mr. MacEachen).

I used to be an investment dealer before I got into politics. As an investment dealer, any time one of my clients came to me and asked if they could raise some capital through the capital markets, I said, "What are you using the money for; what is the purpose of the issue?" We have seen nothing about what is the purpose of the issue today. We could debate this for the next two or three months if we wanted. Also we looked at the usefulness and the quality of management of the organization, and again I must say that it is an area we could be debating for the next two or three months as well.

We heard clearly from the President of the Treasury Board (Mr. Johnston) that he is very disappointed with the quality of management in this organization. That quality has been building up over many, many years. Another aspect that we look at is whether there is any attempt whatsoever to reduce the loan or to reduce the demands on the public purse. I have seen nothing to indicate that in the period of time I have been here since February 18. Many times members on this side have said that the government is asking for a blank cheque. It is just as simple as that, because we have no idea what is happening. Ministers are asking us to provide them with the authority to continue the disastrous policies of the 1970s, with no accounting to Parliament. It is incomprehensible why there has been no understanding built up during this period of time as to the effects of high government deficit.

I fully support the various things the hon. member for Lincoln raised in the course of his remarks as to the importance of social programs. But the key thing we must realize is that if we cannot afford those social programs, it will hurt this country very, very seriously. The long-term damage being done to this country by continuing and accelerating levels of budget deficit are things we will be living with for many years, as will our children and our children's children. There is no way of getting away from that.

On many occasions we have said that it is essential the government bring forward a budget at the earliest possible opportunity, because the sorry excuse for a budget that was brought down in April is simply not good enough to get an understanding of where the government is going. Again we tried to get some understanding from the Prime Minister today and from the Minister of Finance on previous occasions. We are getting nowhere in understanding the direction of the policies of this government. That is why we say we need a budget.

The last time a budget was passed by this House was in November, 1978, a year and a half ago. That is why we need a budget before the summer recess. The distressing fact is that either this government does not have the wisdom and the intelligence to recognize the existence and the magnitude of the problem of a major series of deficits, or it understands the problem and continues on its way with a full understanding of the impact it has on the people of the country. They are borrowing money at today's rates and at today's value for the dollar, and they are paying it back in reduced dollars. As I said, in 1968 the dollar was worth over twice what it is today. If we continue doing that, the only organization that benefits from it in the country is the Government of Canada. To hear the possibility that this government is considering removing indexing from personal tax exemptions is just removing one more discipline from stopping them continuing on the basis they have been for years. It is a classic example of buying the votes of Canadians with their own money.

What the hon. member for St. John's West (Mr. Crosbie) was trying to do with his budget of December 11 was to show Canadians a way to get out of the sorry state we are in now. But we get from the government opposite policies which will permit them to get short-term gain unfortunately with long-term pain for this country.

May I call it five o'clock?

Some hon. Members: Hear, hear!

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

● (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA LABOUR CODE

USE OF UNION DUES FOR POLITICAL PURPOSES

Mr. John Gamble (York North) moved that Bill C-203, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I have the honour to introduce Bill C-203 for second reading and of exercising a right common to all members of this House, the right to change the laws by which Canadians are governed. I mention this rudimentary fact because it is often forgotten when we, as members of Parliament, are caught up with concepts of party solidarity and partisan politics. While I might have preferred to introduce Bill C-203 under circumstances where, with amendments to the rules and practices of the House, there was a greater likelihood of a vote on the same, I am nevertheless pleased to be able to address the issue contained therein with hon. members of this House.

Naturally I would be extremely gratified if Parliament shook off the mantle of executive control and provided a forum where individual members might freely debate the affairs of state and provide a direction for our country, unhindered by an all-powerful bureaucracy. Practice today, regrettably, precludes the realization of such a lofty hope.

The Canada Labour Code sought to be amended by Bill C-203 endeavours to regulate labour and management affairs

touching on or involving federal works. In essence, it governs labour matters that fall within federal jurisdiction, and accordingly has no direct bearing on provincial legislation of a similar kind.

The code contains the customary provisions relating to the rights of employees to join a trade union of their choice, the certification of bargaining agents for a unit of employees, and provides for the regulation of the affairs of the Canada Labour Relations Board.

Pursuant to section 161(a) of the code, a collective agreement may include a provision requiring, as a condition of employment, membership in a specified trade union. Subsections 1, 2 and 3 have the combined effect of obliging an employee to contribute his union dues to his bargaining agent on a check-off basis from his salary.

While sections 184 and 185 relating to unfair practices by both employer and trade unions respectively list unacceptable conduct of both parties, the dismissal of an employee is provided either by the employer on his own volition, or at the request of the union, where the employee has failed to pay his required union dues.

By the interaction of sections 161, 162 and 185 of the code, the payment of union dues is therefore linked directly with the right to gain and retain employment. Bill C-203 deals effectively with what may or may not be done in the political sphere with some of those dues so contributed by individual members of Canadian trade unions.

The purpose of the bill is to grant to the individual employee the right to determine whether any part of his union dues are made available for political purposes, and the bill provides, in that portion of the code which relates directly to the deduction by way of check-off for union dues, as follows:

> Any provision in a collective agreement requiring an employer to make a deduction from the remuneration paid to an employee and to credit the deduction to a trade union, is invalid if any part thereof is, or is intended to be, contributed to or used to support a political party, unless the employee has expressly so authorized in writing.

Several trade unions in Canada have constitutions which permit individual members to opt out of the political contribution portion of their dues. These situations are rare, however, and require an overt act by an individual member of a trade union to gain what must be a fundamental right of all Canadians, the right to determine which political party, if any, is supported by them financially.

Peer pressure within labour organizations, and labour leadership disfavour, prompt many to fail to avail themselves of the opportunities to opt out of making a political contribution as a part of their union dues payments. As I have said, it appears that there are few labour unions under whose constitutions an individual member thereof may take advantage of the right to which I have made reference.

It is fundamental to individual freedom that Canadians, including members of trade unions, be granted the right to exercise freely, and of their own choice, who shall benefit from their financial support of political parties.

Mr. Robinson (Burnaby): What option do the shareholders have?

Mr. Gamble: We will deal with that, and I am sure the hon. member will too.

I submit to this House that no money should be extracted from Canadians in the fashion that union dues are to be spent on a political party which the contributor does not support. This bill will guarantee that funds contributed as union dues and directed to a political party will have the express written consent of the donor.

An hon. Member: Taxes.

Mr. Gamble: The New Democratic Party, the alleged supporters of individual civil rights, have long been the benefactors of enforced political taxation, and I can well understand why I now hear the clamouring from the left.

From the office of the Chief Electoral Officer, I have determined the following information pertinent to the 1979 general election.

An hon. Member: Let's hear where you got your money first.

Mr. Gamble: Individual candidates by political party affiliation received the following contributions from trade unions during and with respect to the 1979 general election: Progressive Conservatives, $280; Liberals, $100; Social Credit, $50; and the New Democratic Party $420,186. Registered political parties, by party affiliation, received the following contributions from trade unions: Progressive Conservative Party, $430; Liberal party, $2,849; and the NDP, $1,765,083. On the basis of that analysis, I well understand why the most vociferous opposition has come so far and will continue to come from the NDP part of this House.

● (1710)

That party has proclaimed itself as the champions of civil liberties, but its members are undoubtedly blinded by their own financial well-being when it is confronted with a proposal which grants to individuals the right and freedom to refrain from contributing to political party coffers through enforced political taxation. Fundamentally, economic freedom is permanently linked to political freedom. The recognition by individual members of trade unions that a percentage of their union dues support the NDP may, indeed, be one of the chief reasons that that party does so very poorly at the time of general elections.

Although they have been able to induce labour leadership to follow them, the NDP have signally failed to persuade the rank and file. It is well understood that the antagonism against NDP enforced taxation has the effect of alienating those people when they exercise their free will at the ballot box. Having regard to the practice in the House and the clamouring of the NDP benches, I have the decided advantage of confronting my NDP opponent, at the time of the next election, with the fact that I sought to relieve trade union members of a

financial burden and members of the NDP party, as I am sure they must, blocked passage of that remedial legislation.

What of the inevitable comparison between the shareholders of corporations who make political donations and the members of trade unions who indirectly do the same? The question, of course, has already been screamed out at me in this House by members of the NDP. The individual shareholder who disapproves of the actions of the board of directors or officers of a corporation in which he has shares may, at any time, dispose of his investment. But individual trade union members have no such luxury.

I have already described the fact that their continued enjoyment of their occupation is dependent on the deduction of their trade union dues. I have already described what happens to those dues. They cannot simply divest themselves of their jobs. If an occupation is an investment, then it must surely be a very special one. It is an investment of one's life and the comparison, accordingly, cannot be drawn between a member of a trade union movement who is obliged by the constitution of that organization to make political contributions to a party that he may or may not support, and the shareholder of a corporation who may simply divest himself of his investment and walk away.

There is one other matter to which I would draw the attention of this House. It relates to the tax consequences to individual trade union members when a portion of their dues is contributed to a political party. In computing the income of members of a trade union, one may deduct, pursuant to the provisions of subparagraph 8(1)(*i*)(iv) of the Income Tax Act:

> Annual dues to maintain membership in a trade union as defined
>
> (A) by section 3 of the Canada Labour Code, or
>
> (B) in any provincial statute providing for the investigation, conciliation or settlement of industrial disputes,

In interpreting that subparagraph, however, one must have regard to subsection 8(5) of the Income Tax Act which provides that:

> Notwithstanding subparagraphs (1)(*i*)(i) and (iv), annual dues are not deductible thereunder in computing a taxpayer's income from an office or employment to the extent that they are, in effect, levied—
>
> (*c*) for any other purpose not directly related to the ordinary operating expenses of the association or trade union to which they are paid.

It is my understanding that the Department of National Revenue interprets those two sections in the same fashion that I do. That being the case, I suggest that it is imperative that members of trade unions be apprised of the consequences of actions taken by the union leadership which render ineffective statutory provisions granting their members specific tax relief. Undoubtedly, the general provisions related to tax credit arrangements in connection with political contributions under the Income Tax Act which are made available to all Canadians would be a preferred way that individual members of trade unions might make, both freely and economically, a contribution to a political party in a fashion which would benefit them more than the simple deduction and the computation of income in the fashion authorized by subparagraph 8(1)(*i*)(iv) to which I made reference.

Canada Labour Code

There is much in the labour laws of Canada that requires change, change designed to grant to Canadians as members of trade unions a greater degree of control over their own destiny. This bill is but a part of that process. The bill is short and concise, and so are my remarks. I would conclude these remarks by urging passage of Bill C-203 on second reading.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I gladly join in this debate on Bill C-203 which the hon. member for North York (Mr. Gamble) has brought before the House. I do not intend to engage in any of the invective to which we have been subjected so far this afternoon. I thought perhaps I could inject a note of rationality into the debate. I would do that, first of all, by reviewing, for the benefit of some hon. members of the House, the legislative enactment with which we are concerned, namely, the Canada Labour Code.

The Canada Labour Code, which was alluded to by the hon. member for York North, as the legal instrument pertaining to employment within the federal jurisdiction. This jurisdiction encompasses some half a million working Canadians from coast to coast, and it covers such national industries as railways, airlines, shipping, grain elevators, trucking, broadcasting, telephones, banking, certain Crown corporations—in effect virtually all undertakings which are of national significance. The code itself consists of three parts, the first one dealing with employment standards, the second one dealing with employment safety, and the third one dealing with what we are involved in today, industrial relations.

As it appears in the statute books, part V contains an interesting preamble which, with your indulgence, Mr. Speaker, I would like to quote, as I believe its essence is pertinent to the subject matter which is under discussion. I quote from the preamble:

> Whereas there is a long tradition in Canada of labour legislation and policy designed for the promotion of the common well-being through the encouragement of free collective bargaining and the constructive settlements of disputes;
>
> And whereas Canadian workers, trade unions and employers recognize and support freedom of association and free collective bargaining as the basis of effective industrial relations for the determination of good working conditions and sound labour management relations;
>
> And whereas the Government of Canada has ratified convention No. 87 of the International Labour Organization concerning freedom of association and protection of the right to organize and has assumed international reporting responsibilities in this regard;

● (1720)

> And whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relation and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interest of Canada in ensuring a just share of the fruits of progress to all;
>
> Now, therefore, Her Majesty—

There follows part V of the Code.

In the present context I would particularly refer to the way in which existing labour legislation in Canada follows this long tradition, a tradition which has been in effect for decades. It has been closely tailored to the requirements of the parties primarily concerned, that is to say, labour and management.

Through its traditional nurturing of good industrial relations—and it is paramount if there is going to be co-operation that there be good relations between the two groups and this is essential to good industrial relations—the federal government has always been at pains to ensure that the legislation which is enforced is, as far as humanly possible, legislation that is best suited to, and most acceptable by, the prevailing circumstances and conditions.

In the case of part V of the Canada Labour Code, a part of the code which has had, over the years, an immense amount of attention focused on it, its various requirements and provisions are well tested and well proven.

As I have indicated, the code is in many ways a culmination of the input of many different people, people with a direct knowledge of and concern for the industrial relations environment. This input has been commensurate with the tradition in Canada of promoting the common well-being referred to in the preamble—by encouraging free collective bargaining and the constructive settlement of labour-management disputes. This, I think, is the essence of the labour code, to see to it that these two groups can attempt to reach the end which they see they need and must have in order to function, but to do so with compassion and, surely, the understanding we need in this very fast changing world today.

Having said that, I would respectfully make the point that it would be folly indeed to introduce any amendment to the provisions of the act that has not been vociferously and specifically requested by one or preferably both of the parties directly concerned.

To my knowledge, neither labour nor management side has made any sort of a concerted call for the proposed amendment that is now before the House, introduced by the hon. member for York North. And I think it is true to say that the government has no desire whatever to set what may well be a dangerous precedent by agreeing to an amendment which does not have widespread support, to say the least.

The point should also be strongly made that when it adopted part V of the Canada Labour Code, Parliament was in effect reaffirming the principle of actively encouraging unions to be masters of their own affairs—and indeed to operate with an absolute minimum of government involvement and interference. I am sure the hon. member for York North would agree with that concept because he is an advocate of more laissez-faire rather than more government involvement in whatever the issue may be. This has been, and remains, the Canadian way, and I for one heartily encourage it.

It was because of this strongly held principle that Parliament decided not to enact the twin Woods task force recommendations of automatically granting unions the agency shop or compulsory check-off to which my colleague alluded, and legislating procedures to guarantee the freedom of dissenting members to opt out of plans that channel union funds to political parties.

As you know, the Liberal party is not funded by the unions. I would say, on the other hand, that although some funds are brought in by bigger businesses throughout Canada it is, by and large, the rank and file, the ordinary Canadian who has chosen to donate moneys for our campaigns and to our party.

It is also interesting and relevant to note that Parliament's approach on the issue of regulation of union contributions to political causes also indicated that this had not been a source of problems. In addition to this, Parliament's approach paralleled the provincial practice of non-regulation.

Some may ask what provinces have legislation with regard to the specific use of moneys from union dues going to support political parties. I would point out that both Prince Edward Island and British Columbia, in the 1960s, did possess legislative provisions controlling the use of union funds for political purposes. They removed these provisions in the early 1970s. That, to my mind, say a lot, and adds further support to the federal government's stand.

I venture to suggest that another and equally compelling reason for opposing Bill C-203 is that it can very easily be viewed as being against the best interests of the union movement. Let it be known that this party is not opposed to unions. We are in favour of unions, and of unions organizing so that they can get the best possible deal for their membership.

As I have already indicated, there are no problems my department knows of that stem from the practice of unions contributing to political parties. I think this is another important point, and should be underlined. Over all, I think Canadians can take some satisfaction in knowing that federal labour legislation is generally viable, responsive, and effective.

I am by no means implying that the legislation as it presently stands is perfect—no legislation is—far from it. It can always be improved. Indeed the Department of Labour is continually reviewing and comparing the Canada Labour Code with its many counterparts in the provincial jurisdictions, as well as with legislation in force in other countries. To this end I will be attending the International Labour Organization Conference next week in Geneva, with my colleague, the hon. member for Sault Ste. Marie (Mr. Irwin). At that time we will have a chance to compare our legislation and ideas with other countries. This will give us a better idea of where our government and ideas fit into the over-all scene as it is looked at by those countries.

The government is only too willing to give due consideration to any well-founded suggestion that might materially improve the operation of industrial relations in this country. Indeed, much of the legislation contained within our Canada Labour Code does, as I have indicated, reflect a high degree of input from the various players in the field of labour affairs. However, in my opinion, by no judgment can this bill presently before us be considered as offering any improvement whatever in the existing legislative framework.

For the reasons I have mentioned, I urge my colleagues in this House today to oppose the passage of this bill, and I trust that they will give due consideration to the points I have put before them.

Some hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, it was very gratifying to see that small standing ovation on the other side for my friend who just spoke.

I too rise to oppose Bill C-203 presented today by the hon. member for York North (Mr. Gamble). I say, in commencing, that this bill represents an insult not only to the union movement of this country but to all working people who have chosen to join unions to defend their rights. We in the New Democratic Party are proud to be associated with the trade union movement and proud to receive the support that we have received from them. I would point out that it has been the union movement in this country that fought, in many cases long before Parliament, for civil liberties, a safe and decent work place, a healthy work place, a fair share of the wealth that is generated in the work place and to ensure that the strength of working people together is represented when they come up against what is becoming an increasingly more concentrated corporate sector.

● (1730)

This bill hearkens back to the days of W.A.C. Bennett in the province of British Columbia who, when the New Democratic Party was being formed, brought in legislation which banned outright any contributions on the part of the trade union movement to any political party. Of course, that was a back-door way of getting at the New Democratic Party and preventing any money from the trade union movement being processed to the NDP.

There is a suggestion in this private member's bill that somehow the union movement is not responsible and that somehow it is perhaps abusing its rights in collecting funds and duly deciding how those funds will be expended. I would point out that democracy exists within the trade union movement to a far greater extent than it does within the corporate sector. In many cases in the corporate sector the decisions are made behind closed doors by a board of directors who often are not responsible to anyone but themselves.

In the union movement, before any decisions are made to spend money in an election or any other major expenditure of funds takes place, a democratic vote is taken of the membership of the particular local. It is only following such a vote that the funds are expended in the direction that is desired. Is it any wonder that it is the New Democratic Party and not the Liberal party or Conservative party which is the beneficiary of these funds?

One only has to look at the track record of the Conservatives, for example, in Nova Scotia, which smashed the movement that is attempting to organize Michelin Tire. One has only to look at the Liberal record. My friend talked about how the Liberal party supports the union movement and encourages them to bargain collectively.

It was the Liberal party that brought in wage controls. It said it was all right to bargain collectively so long as you did not try to get more than a certain percentage of the wage. That iniquitous piece of legislation will be remembered for a long time by the working people of this country.

It is no surprise that members of the trade union movement, members of union locals in many parts of this country, have voted to support the party which has gone out of its way to ensure that the voices of ordinary men and women are heard in the councils of this country at the highest levels, and has been responsive to the concerns expressed by those working men and women.

A democratic vote is taken by the members of the local. I would point out that virtually all union constitutions go beyond that. Not only is there a requirement that there be a vote before any funds are expended of a political party, but virtually all union constitutions have a provision whereby any member who pays dues and does not wish to see his or her dues being used to support a particular political party can have a portion of those dues returned. What we have is the union movement in a democratic manner doing exactly what the hon. member for York North is suggesting be imposed upon them by legislation.

I point to a typical provision of a union constitution. This happens to be in the constitution of the labourers union, section 4:

> Any dues paying member or person who pays dues or agency fees pursuant to union security provisions of a collective bargaining agreement shall be entitled to a rebate of the portion thereof which has been expended for political causes to which such person objects.

That kind of provision is found in virtually all trade union constitutions. I suggest that if we are looking for democracy, examples of democratic decision-making in the expenditure of funds, we should look at the trade union movement. I suggest that the hon. member for York North hang his head in shame if he suggests that the corporate sector is any kind of example of deciding how political funds are going to be expended.

It was in 1974 when we had a minority government that, because of the pressure from the New Democratic Party, we had a requirement for the first time that all donations over $100 be publicly disclosed. Prior to that time corporations were making massive donations to both the Liberal party and the Conservative party with absolutely no accountability to absolutely anybody. Their shareholders did not even know about those donations. For my friend to suggest that somehow the shareholders can object is, frankly, not at all feasible.

It goes beyond that. Many of these corporations which give donations to the Liberal party and Conservative party are extracting a tax from consumers and working people. The money which they take in assessing a price for their product or service, part of that amount is being used to support a political party. Therefore, in respect of the Royal Bank or some of the other corporations which so heavily support the Liberals and Conservatives, many people are not aware of the fact that they are in a sense contributing indirectly to a political party.

I have a list here from the most recent returns before the chief electoral officer of some of the contributions which have been made to both the Liberal party and the Conservative party. I think these belong on the record of this debate. To start with, these are to the Liberal party, that great defender of working people: the Alberta Gas Trunk Pipeline, $15,800.

An hon. Member: Build that pipeline.

Mr. Robinson (Burnaby): As my friend says, build that pipeline quickly. The Aluminum Company of Canada, $15,000; Cadillac Fairview Development Corporation and land speculators, $11,090; Campeau Corporation, another big developer, $16,400; Canadian International Paper, $15,123. Lo and behold, we find the Canadian Pacific donating $25,000 and $15,000 the previous year to the Liberal party, that great defender of the working people and the rights of working people.

How many people who board a Canadian Pacific train are aware of the fact that they are indirectly contributing to the Liberal Party. What does the hon. member for York North have to say about this tax? They can and they should stop flying CP as a protest against this invidious form of indirect taxation.

Then we have the Conservative party, the party of my friend from York North, receiving donations from the Aluminum Company of Canada, $15,000; Denison Mines, $51,000; Dominion Foundries and Steel, $31,678; Gulf Oil of Canada, $41,000. How many people are aware when they drive up to the Gulf oil pumps to fill up their gas tank that they are contributing to the coffers of the Conservative Party of Canada?

I suggest the hon. member for York North should ask that a little sticker be inserted on every Gulf Oil gas tank indicating when there is a fill-up being made there that a contribution is going to the Conservative party and the Liberal party. What do my friends on my right have to say about this form of corporate taxation to support their political parties? They are strangely silent on that subject.

What about the banks? In the most recent year for which there was disclosure, the Bank of Montreal gave $25,000, not just to the Liberal party but also to the Conservative party; the Bank of Nova Scotia gave $20,000 to the Liberal party and the Conservative party; and the Royal Bank gave $25,000 to both the Liberal and Conservative parties.

How many consumers are aware of the fact that when they go into the bank to cash their cheque that they are contributing to both the Liberal party and the Conservative party? How voluntary is that contribution? What proposal is my friend from York North making to ensure that that is voluntary? "Sell your shares", he says. Well, Mr. Speaker, how many old age pensioners in this country, how many working people have pension funds which are invested in some of these corporations—invested in the Royal Bank, invested in the International Nickel Company? What kind of voluntarism is that? Are we to tell these pensioners whose funds are being invested in their best interests that they can stop receiving their pensions if they do not want their pension fund to invest in some of these companies which give money to both the Liberal party and the Conservative party? There is no suggestion of that.

● (1740)

So it is not surprising to see a Conservative member coming forward with a bill which suggests there has somehow or other been an abuse of the power of working people organized collectively through their unions to make decisions about the way in which their funds should be allocated, to make decisions about which political party represents them best.

I am not ashamed to say, in fact, I am proud to say, that I received substantial support in the last election from the largest union in British Columbia, the International Woodworkers of America. I am proud of the fact that my campaign manager, John Jantzen, was elected by the membership of that local and that the membership of the local chose to donate funds to help elect me to this House. I am proud of that. I am proud the decision was made democratically at an open meeting of the members of that local. I might say in passing that this local was headed until very recently by a gentleman named Syd Thompson, one of the great labour leaders in the province of British Columbia. He is retiring this year having given many years of service not only to his own membership in the IWA but to working people both organized and unorganized in British Columbia. I am certainly very proud to have been suppported in the last election by a union whose leadership is as outstanding, a union which is as democratically organized as is that particular union. Contrast this with the organization of, say, the Royal Bank, or of Inco and some of the other corporations which support the Liberals and the Conservatives. The hon. member advises people to sell their shares. That is his answer to those who suggest there is perhaps an element of hypocrisy in the bill before us.

I have laid my record on the line. I have received no corporate contributions. I thought it might be interesting to place before the House the record of the hon. member for York North. It is a very interesting document and perhaps it makes it clear why the hon. member for York North is bringing this motion before the House today. Where did the hon. member for York North receive his funds in the 1979 election, from trade unions? I suggest he received not a penny from them, and it is no wonder, Mr. Speaker. The record shows: from individuals, $10,148.81; public corporations, $1,000; and private corporations, $23,363.57. That is what the hon. member for York North received from his friends in the corporate sector. What does he have to say about how voluntary those donations were as far as the people who happen to hold shares in those companies are concerned?

Let us examine the return of the hon. member for York North a little more closely. We see here that he received some $15,000 from various elements of the building industry. He received $1,000 from Milo Management. He received $1,000 from Aztec Steel Manufacturing Company. I wonder whether the customers of Aztec Steel are all aware of the fact that they are contributing to the election campaign? The same applies to the shareholders of Doubletex Incorporated. Or what about Union Carbide of Canada which contributed $300 to the campaign of the hon. member for York North? I wonder how many customers of Union Carbide were consulted. One of my

hon. friends suggests there should have been consultation before this donation was made. How many of the shareholders of Union Carbide were asked whether they wanted to assist in the election of the hon. member for York North? I would be interested to hear the hon. member tell us what kind of consultation took place with respect to that particular donation. The same applies to the $300 from the Ontario Arms Collectors Club. It would be interesting to learn how the hon. member voted with respect to certain legislation which affects the Ontario Arms Collectors Club. What sort of consultation took place with regard to the $20,000 received from various corporations involved in the building industry in his own riding.

We see here yet another example of the duplicity of the Conservative party. They suggest that somehow there is something wrong with working people deciding democratically to donate funds and labour to the party they have decided best represents their interests while on the other hand remaining completely silent about corporate donations going to their own party on a massive scale and on an involuntary basis.

Again, I would draw attention to the fact that in 1978 the Conservative party received from corporations some $2.67 million. That was in the most recent year for which figures are available. We are told the Liberal party did not receive very much, really, from the corporate sector—that they receive a lot of money from individuals. That certainly is not the case, Mr. Speaker. The Liberal party received $2,500,000 from the corporate sector and $2.1 million from the private sector. So it was a case of Tweedledum and Tweedledee. Both are in the pockets of the corporate sector and neither should be coming before the House suggesting that the union movement which democratically gives certain moneys to candidates in the New Democratic Party should in any way be criticized. Such decisions are made freely and openly and democratically and they are made by the trade unions with which I and members of my party are proud to be associated.

Mr. Ron Irwin (Sault Ste. Marie): Mr. Speaker, with your permission I should like to direct some remarks about the bill now before the House. I represent a riding where the major union supports a political party financially. Even though I may not like this and even though I may speak against it, as is my right, it is the democratic right of that union to decide its own affairs, and as a member of Parliament I must protect that right. Parliament has no business making that activity illegal.

It was with a sense of amazement that I listened to the hon. member for Burnaby (Mr. Robinson). He says it is okay for a union member who presumably has the right to vote in a free society privately, to go down to the union office, because that is where he has to go, and sign a paper saying he declines to support a particular political party. Mr. Speaker, if you believe in a principle you believe in the whole principle, not just half a principle because it happens to help an hon. member's party politically.

• (1750)

As hon. members of this House are well aware, industrial relations in Canada have in recent years become a topic of prime concern and interest to Canadians in all walks of life. Today nobody is untouched by the workings and breakdowns of a country's industrial relations system. As the hon. member for Welland (Mr. Parent) said earlier, all countries have been affected by the worldwide problems of inflation and other associated economic and social upheavals. However, Canada has also had to come to grips with factors which have conspired to challenge the industrial relations system and to challenge the leadership and flexibility of those government departments responsible for the conduct of labour affairs.

Labour Canada is, of course, the federal department responsible for developing and administering the framework in which labour affairs are conducted within the federal jurisdiction. The legislation which Labour Canada administers consists principally of the Canada Labour Code, which is the product of some 80 years of trial and error.

While success may be a difficult quality to measure in the world of labour affairs, I think it only fair and accurate to say that the present legislation is generally successful, appropriate and effective in an area noted for its volatility and for its capacity to threaten the success of the country's socioeconomic operations. We should therefore not arbitrarily introduce off-the-cuff changes to this legislation which involves such a delicate balance between the legitimate rights and duties of labour and management and the protection of the broader public interest.

If the hon. member who introduced this bill is so concerned, he should be prepared to propose a similar bill which affects corporations. He said today that shareholders can say something at annual meetings, but for how long is that remembered after elections? If he is prepared to use a shotgun against unions, he should be prepared at least to use a BB gun against corporations.

As I have indicated, our labour legislation has not been developed overnight. It is the product of a vast amount of deliberation, common sense, expertise and good will on the part of innumerable Canadians. Each of its provisions which has been developed over these 80-odd years has been developed with painstaking care and much debate by legislators, union leaders, industrial relations professionals, constitutional experts and a host of others.

What I am saying is that neither the legislation itself nor the institutions of labour and management are about to benefit by any ad hoc amendments such as that proposed in Bill C-203. As a matter of fact, the bill is so anti-labour I am surprised the hon. member placed it before this House. In the case before us today there appears to be no real cause for the proposal.

This proposal would amend part V of the Code by the insertion of the following words after section 162, and I quote:

> Any provision in a collective agreement requiring an employer to make a deduction from the remuneration paid to an employee and to credit the deduction to a trade union, is invalid if any part thereof is, or is intended, to be

contributed to or used to support a political party unless the employee has expressly so authorized in writing.

The intent of this proposal might seem fairly obvious, but what it would do, in effect, is trespass into the preserves of union responsibility. Let the men who have to run the unions and who have to vote in the unions make their own decisions, and let not the legislators decide.

The handling of internal union matters—and those matters might well include the question of financial support provided to a given political organization—should in all cases be left to the democratic processes which are duly provided in the various union constitutions. They may be imperfect, we may not agree with them, but they are still their constitutions and their rights.

There are a number of traditional precedents which support this statement. To quote from just one of them, I refer to the much respected Woods Task Force on labour relations. This task force, in a section dealing with trade unions and political action, reported, and I quote:

> Historically the labour movement has always been active in politics. Individual unions have different degrees of involvement depending largely on their ideological orientation and the extent to which they are affected by government policies. Union political action may range from lobbying, through the approach of rewarding one's friends and punishing one's enemies, through the support of a particular political party.

Lobbying is legitimate. The report continues:

> Today in Canada unions tend to involve themselves in the political life of the country for one or more of three reasons. The most common relates to a desire of the labour movement to improve the statutory and administrative framework of rules and regulations within which it must operate.
>
> Beyond this, many unions are interested in the pursuit of legislative goals which will complement and supplement their gains at the bargaining table. Among these objectives are more generous social security arrangements and the vesting and funding of privately negotiated fringe benefits, particularly in the pension field. A large number of unions seek the implementation of more radical social reforms through economic and social planning.

The Woods task force went on to say many things about the union movement and the balance within the movement. It is interesting to relate that Parliament decided not to enact major proposals of the Woods task force report, which would automatically get us into the agency shop or compulsory checkoff. Parliament did not enact these recommendations because it wished to reaffirm its strongly held principle that unions in Canada should be given every encouragement and incentive to regulate their own affairs and to operate within a bare minimum of government interference.

I listened to the hon. member representing the Progressive Conservative Party say that we should outlaw this spending of money by unions on political parties without specific written notice from union members. On the other hand, representing the New Democratic Party, the hon. member for Burnaby said he thinks it is just terrible that we should even be getting into this. Because certain unions support his party he thinks it is a good idea even though in another timeframe he would support the democratic vote of individual union members. I know today why the Liberal party has the best policy. It takes the middle of the road. It is fair to both sides and does not tolerate bills such as Bill C-203.

Some hon. Members: Hear, hear!

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in the brief couple of minutes available to me I would like to touch on just a couple of things. First, the union I have been associated with is perhaps the most politically active and involved plant, of the most politically active local union, of the most politically active union as a whole in Canada, the IWA. I have been the financial secretary of that local union for the past year. I signed some of the cheques to which my friend probably takes exception, and I can assure him that democracy is no healthier anywhere than it is within that particular local union. I have been one of its officers ever since 1972, and we stand vigorously to defend the rights of Socreds, Liberals or Tories in our membership who want to speak out against our actions and policies at local union conventions. We have continuously paid affiliation to the New Democratic Party since its founding in 1961 on the basis of a proportion of our membership. Whether or not people sign out, they are guaranteed that moneys are not paid on everyone's behalf because we recognize that everyone does not support the same party.

I think we have to look at this bill not in isolation but together with private member's Bill C-267 in the name of the hon. member for Prince George-Peace River (Mr. Oberle) which basically is a right-to-work bill. I think those two things taken together lead us to understand better from whence all this comes. There is a poem, which I do not have time to read, called "The Free Rider's Psalm," which seems to me to relate to an attack on the labour movement. The principle that is implicit in this bill follows the same principle which chooses to attack all of the labour movement and the right to collective democratic action, as enunciated in the private member's bill of my friend's colleague. I oppose the bill, Mr. Speaker, and I believe I can now call it six o'clock.

The Acting Speaker (Mr. Blaker): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock p.m., the motion for second reading of Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81 was under consideration. The hon. member for Etobicoke Centre (Mr. Wilson) had the floor.

An hon. Member: Question.

An hon. Member: Oh, no.

An hon. Member: We are ready for the question.

An hon. Member: Hear, hear!

Hon. Michael Wilson (Etobicoke Centre): Thank you very much, Mr. Speaker. I am delighted to see that members opposite are so pleased to hear what I have to say.

An hon. Member: None of your friends are.

Mr. Wilson: I might touch on a few remarks that I was making just prior to the private members' hour. I said at that time that the government was taking advantage of the people of this country by borrowing in today's dollars and repaying those dollars in depreciated dollars some years hence. Now, any of us who is borrowing any money, whether it is by way of a mortgage, or whether it is by way of a bank loan, is doing the same thing. The point I want to make is that it is very wrong when this is being done by the federal government, for the simple reason that its action contributes directly to the devaluation of the currency. The government has the greatest control over the level of inflation in this country, particularly with the tremendous demands on capital we have in this country, and that is what makes their actions so wrong, so unfair, and so damaging to this country.

The President of the Treasury Board (Mr. Johnston) has recognized some of the aspects of this problem. Recently he is quoted as saying that the government remains committed to limiting spending growth, but he has argued that this has disadvantages because it forces cuts in government spending during times of economic downturn.

We are at that point of time right now, and it is not going to be easy for this country. I hope the government has begun to understand that it does not have the flexibility to adjust its policies and priorities, and it does not have the flexibility to change the tax structure to give the incentives required to bring the business of this country to a higher level. The province of Ontario has also shown the benefit of fiscal restraint.

An hon. Member: Right on.

Mr. Wilson: They have had a policy of reducing the level of their deficit over the past few years, and last year the level of the deficit did drop by some $200 million. This year, in anticipation of a slowdown in the economy, they have been able to increase their deficit by a significant amount, and direct that money to small business development, employment development, assistance to pensioners, and energy development. This illustrates the benefit of flexibility in fiscal policy, a flexibility which is now, as the President of the Treasury Board has pointed out, completely non-existent in the affairs of the federal government of this country. But I am sorry to say that the Minister of Energy, Mines and Resources (Mr. Lalonde) does not understand it yet. Some days ago, in the House of Commons, he was referring to the amount of money that Canadians saved through the reduced cost of energy in this country.

An hon. Member: It cost them 12 per cent.

Mr. Wilson: What he does not understand is that Canadians are not saving that money. They are just shifting the load from today to tomorrow. Instead of paying that money today, we are paying and will be paying for many years through the increased taxes that we will have to pay.

An hon. Member: Tomorrow at 12 per cent.

Mr. Wilson: Today that subsidy is costing the government and the people of this country, through their taxes, and through increasing the size of the government deficit, some $3 billion. At current rates of interest, in just six years' time, the amount of money that will cost the Canadian taxpayer is $6 billion—double in six years. That is the problem we are faced with today.

I do not understand, as I said earlier in my remarks, why the government has consistently ignored professional comment, the advice and the experience of other governments, and the comments that have been made many times by people on this side of the House. Let me just quote to you here, Mr. Speaker, what Mr. Carl Beigie said in a recent speech:

> This year the federal government's budgetary deficit is expected to reach $14 billion, compared with about $30 billion in the United States—

That is a country with a population ten times the size of Canada. He went on to say:

> There is a total lack of concern, at the political level about the budget deficit in Canada.

I am sorry to say that I am going to quote an economist who does not seem to understand that so long as the federal government borrows domestically, in other words, borrows from its own residents, it is like a father lending money to his son. The son pays the interest to the father and it is all in the family, therefore it does not really matter. In this way we can continue to go on and on.

● (2010)

Let us carry that illustration just a little bit further. The son starts to pay more and more money in interest, so he cannot take that trip out of the country or he cannot buy that new car. Then it starts to cut into his ability to spend money on the necessities of life. That is the point we are at right now. There has been a total misallocation of federal resources as a result of the very high level of interest payments in the country.

This year it will amount to 19 per cent; that is nearly $1 in $5 of federal government expenditures, or to put it another way, $1 in $4 of federal government revenues will be spent on interest. That is just interest alone; no repayment of the debt, no reduction in the size of the government debt. That is the point we have reached right now. We cannot redirect that money to other more worth-while uses than the payment of interest and we cannot use that money to reduce the government deficits.

Mr. Speaker, $12 billion or $14 billion is a very large amount of money. It is hard to understand how much money that is. But is it very hard to understand that because of that deficit today we are spending 30 per cent more than we are taking in revenues? That figure is lower than last year. It is hard to know what it will be this year because we have not had any figures from the government. Clearly it will be of that order of magnitude. That is the problem we are facing today, and until some action is taken, we will be facing that problem for years ahead. This is why we are concerned about passing this bill at this point in time.

Another aspect of the deficit worth noting is that the federal government is borrowing far too much just to pay current bills. This is not for capital expenditures, but for the bread and butter daily expenses of government. The C. D. Howe Research Institute estimates that from 1975 to 1979 the federal government borrowed $30 billion more on the current expenditure. That is over and above the deficit from capital outlays. A recent analysis of the United States federal budget indicates that current revenues in recent years have financed all the current outlays plus half of the capital outlays. That is the difference right now. That is the difference between the fiscal position of the Government of Canada and that of the United States.

Is this prudent financial management? Let me illustrate my point in a basic way. This type of borrowing to cover current spending is like taking out a bank loan to buy food and the other basic necessities of life. That is the reason we cannot use Chargex at the supermarket or the liquor store, because normally, the use of Chargex results in a loan. This is one more reason why the government should not be borrowing on a continuing basis just to finance spending on day to day expenditures.

Recently we had two statements by the governor of the Bank of Canada which I think are very important. We received a clear message from the governor of the Bank of Canada in his statement to the Senate Standing Committee on National Finance and in his 1979 annual report. I should like to briefly paraphrase what he had to say in his statement. He said that what he wanted to register was that the way in which the real economic variables in the economy respond to changes in financial flows, which are heavily dependent on other policies and practices throughout the economy about which the Bank of Canada can do very little. He indicated there is little doubt that the key reason for this slide toward even more inflation was the result of an effort by public policy in most countries to achieve and maintain more output and employment from their economies than was consistent with price stability. This view should have been discredited long ago by logic for it implies that people can be fooled indefinitely.

It has now been discredited by events. The governor of the Bank of Canada is clearly linking excess government spending to inflation. He also made the point I made earlier that the government is trying to fool people by giving them something now with the feeling that they are getting it for nothing. But there is no such thing as a free lunch, to paraphrase a statement that has been made many, many times before. He also indicated that people have learned to be sceptical about public promises to reduce inflation, for the fulfilment of such promises would require a radical break from a long-established inflationary bias in public policies. The inflationary bias on the part of people in this country is so ingrained it is very, very hard to break the inflationary spiral.

Let me just look ahead to what the governor said later on in his statement about the spiral. He indicated that there is a clear need for leadership in the country. He said the Bank of Canada certainly has a central role to play and that it was trying to play it, but that governments at all levels have a major role to play and the role of the federal government is clearly of crucial importance. It is important that those policies and practices throughout the economy which are inflationary—and clearly he identified the federal government deficit as inflationary—should be modified, that all policies and practices should be reviewed in this light.

I should like to refer briefly to the annual report of the governor of the Bank of Canada which reads as follows:

> But if large fiscal deficits are continued when the economy has little more effective capacity to increase output they will discourage such investment. The restraint on investment is felt through various channels. One of them is that the fiscal deficits absorb savings that could otherwise be channelled by financial markets into financing the expansion of plant and equipment. This can militate against the increases in productivity and income that capital formation makes possible.

He pointed out that governments can crowd out private sector investment. He made the point further on in his report that private sector investment can be crowded out and into international markets. I will come back to that later.

Governor Bouey provided an eloquent illustration of the link between economic growth and the low inflation rate. He stated clearly that the tax policy and the level of the deficit is important to increasing the amount of productive plant and equipment in the economy. We must have this to avoid shortages of supply of goods and bottlenecks in our lines of supply, both of which will cause great pressures. The message is clear. The governor of the Bank of Canada has put the government on notice, that there must be greater spending control and a

reduction of the deficit if we are to tackle the inflationary problem more effectively. But I am sorry to say that today that commitment is lacking. I made that comment during the debate on the Speech from the Throne, and I will say it again.

In the Speech from the Throne there was practically no reference to fighting inflation. It was mentioned just twice in passing; inconsequential references. Whatever sense of commitment there is, and it is not apparent, has been redirected so that the government is only concerned with fighting the symptoms of inflation and not getting to the root cause. Again, they are buying our votes with our own money. This makes it all the more difficult for the House in conscience to approve this borrowing authority.

Let me return to a point which governor Bouey touched on but did not develop further, the link between the impact on domestic savings from high government deficits and the level of our current account balance of payments. Let me just trace it through. As I said, between 1975 and 1979 we borrowed $30 billion just for the current account, just for the day to day expenditures. The government is borrowing for current spending and forcing a redirection of the savings of Canadians away from productive investment in plant and equipment. In the long run, this has a very damaging impact on the economy through the impact of inflation. It causes the crowding out of other borrowers to external markets. We are seeing this happening now. Just last week we had the largest amount Government of Canada financing ever, $1.6 billion. I predict that figure will grow higher as this year goes on.

• (2020)

During the 1974-1976 period we had a classic example of what happens when this combination of policies takes place. That was one of the most damaging periods of economic mismanagement in this nation's history presided over, I might say, by the hon. blue eyes. I hope we do not have another one of those again.

I will only focus on fiscal policy at this time, but monetary policy and settlements by the federal government in collective bargaining were equally debilitating in their impact on government fiscal requirements. Recently we saw a settlement in the postal service that could have some of the same damaging effects, in that it may lead people in the public service to demand larger and larger settlements. When we compare what has been publicly stated by the union as to the levels of remuneration that have just been negotiated for January 1, 1980, we see that the settlement is between 23 per cent and 26 per cent higher. What the government has done here—and for the life of me I do not understand how the President of the Treasury Board could congratulate the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) for this—is added a COLA clause which adds 79 cents an hour to a $7.11 or $6.84 basic hourly salary plus 8 per cent. The government calls that an 8 per cent settlement. I do not know any other business in the country that would call that an 8 per cent settlement. I do not know any other government in the country that would call that an 8 per cent settlement. That is why we are calling it a 23 per cent to 26 per cent settlement. I challenge either the President of the Treasury Board or the Postmaster General to deny that.

The heavy borrowing in the 1974 to 1976 period by the federal government to finance the deficit forced up interest rates in this country. It pushed other issuers into other markets in the world and the result was that the Canadian dollar was held at a far too high a level at $1.03 and $1.04 U.S. The necessary adjustment that was needed so badly by our manufacturing industry was delayed. Their loss of competitive position was deferred for two or three years. We are seeing the results of that today in the $17 billion trade deficit on manufactured goods. Our balance of payments deficit therefore was affected in two ways; first, in the increase in interest payments that we have to continue to pay on an ongoing basis to service this foreign debt, and second, in the poor trade figures that I have just referred to. The increased deficit is going to require further financing year in and year out down the road. It is going to keep further downward pressure on the Canadian dollar, and in so doing continue to encourage higher levels on inflation than we need.

Let me point out that during a more recent period, 1977 to 1979, Canada was by far the largest international borrower in the world. We borrowed $25 billion over the period 1977 to 1979. That compares with Mexico at $16.9 billion. So one can see the amount of interest that we will be required to pay outside of the country. It is substantial and it will be with us for many years. That is why governor Bouey is concerned. That is why the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) should be concerned. The Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Chrétien) criticized us during the election for our doctrinaire commitment of reducing the deficit. There was no doctrinaire commitment. It was just a simple recognition of the dollars and cents facts of the impact of these high levels of deficits.

I watched and I listened to the Minister of Finance wringing his hands as the interest rates rose in this country, saying we are helpless to avoid the effect of increases because of what was happening in the United States. He is absolutely right, but we are in that position because of the foolhardy and shortsighted policies of the 1970s which his government followed. It will get worse unless he starts now to move in new directions, similar to those followed by the hon. member for St. John's West (Mr. Crosbie) in his budget of December 11. The short-term effects are not pleasant, a combination of higher taxes and lower spending. Cost pressures will increase in the economy and economic growth may well be slower in the short term. But the government has a majority. It has the power to make these adjustments without the political risk that we encountered. The longer-term results will clearly benefit this country through more sound, less inflationary economic growth. If this government fails to act, it deserves to be defeated at the earliest opportunity. The answer is to withhold at least one-half of this borrowing authority and request the government to return to this House after a budget has been brought down so that we can assess the policies and commit-

ments toward the new direction of which I speak. We should not be giving the government a blank cheque. I am not prepared today to move an amendment, but I say on behalf of our side that we are prepared to consider such an amendment.

Let me return to the purpose of this measure. We do not know the purpose for which these funds will be used. We do not know the direction the government is proposing to take. There has been no accountability to Parliament. This is a fundamental problem in respect of what the government is asking us today. We do not know the broad direction of fiscal policy, nor do we know what combination of fiscal and monetary policy we will be having or whether it will be consistent. We do not know whether the Bank of Canada will be able to live with what the government is going to be doing after the budget comes down. Until we know that, this House in good conscience cannot provide the government with the borrowing authority for a full year. To do so would be irresponsible, and it would not be fulfilling our obligation to the Canadian electorate.

Let me close by referring to one of the long-term problems of inflation. It is a problem that I believe we in this House should be very concerned about. We have a free country. We cherish this free country. What inflation does to that freedom is erode it on an ongoing basis. We are living here in an unreal world with low income taxes in Canada. They are much lower than they should be for the size of our government spending. We have to close that gap. We are living here with unrealistically low energy prices. That is very comfortable at this point in time, and we can sit here with a big smile on our faces and feel comfortable, but consider what it does to the freedoms of our children and our children's children. When the time comes they will have to support the higher tax load that will be required in Canada. This is a tax load that will go on and on and get higher as we continue to endure these very high rates of interest. That is why we have to take action, Mr. Speaker. That is why it is very important that we try to project ourselves a little bit further beyond the easier times we have today with lower energy prices and lower taxes. If we do not do, the legacy we are leaving our children will be something I personally will be unable to explain to my children why we in this House allowed government deficits to go on and on.

● (2030)

A few years back I recall that the deficit was $4 billion, then $5.4 billion, then $9 billion, then $11 billion and this year it could be as high as $12 billion or $14 billion; who knows? That is why we must take action now. I ask members opposite to consider making an amendment to this bill which would reduce the amount of borrowing to $6 billion. We can then return to consideration of this very important problem at a later stage.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, it is the duty of every member of this House, regardless of party, to stand up at this time and express his concern over this excessive spending of our tax dollars. I congratulate the hon. member for Etobicoke Centre (Mr. Wilson) on the remarks which he made with respect to the generations which will follow us.

The present government has been in power just under three months. All we are really sure about at this point is that it will not be any different from the Liberal governments of the past 16 years. We know they have not learned anything from being in government for all those years, and that they did not learn anything when they were in opposition last year. They are still the same old crowd, devoid of ideas, short of talent and long on arrogance. They still do not answer any questions as to where we are going and what they plan to do about the serious problems which continue to plague our country.

During the last election campaign the Liberals from across the floor could list all the problems plaguing our country, and they had instant solutions for those problems. Today they cannot even remember what the problems are. When we ask about all the magic solutions which they had a few months ago, every member on that side of the House suddenly becomes tongue-tied. My distinguished colleague, the hon. member for St. John's West (Mr. Crosbie) said in this House the other day that when it comes to answering specific questions the Minister of Finance (Mr. MacEachen) appears to be in slow motion. The finance minister and his colleagues are not in slow motion when it comes to asking this House for additional borrowing authority.

We have before us a bill comprising two paragraphs and a subparagraph requesting authority to borrow $12 billion. This bill is hardly more than a casual gesture, yet it proposes to plunge us $12 billion deeper into debt before we even know how the government plans to spend the money. Where are all the specific programs to back up the grand solutions which the Liberals had just a few months ago? Where is the national energy policy, the magic pricing formula promised to the Canadian public in the last campaign?

The government's energy minister seems to have run out of steam, or out of oil. Instead of a solution to our energy problems, we appear to be heading for still another head-on collision between the federal government and the provincial governments. Last week the Minister of Energy, Mines and Resources (Mr. Lalonde) accused some provincial premiers of waging war against the federal government, and the Prime Minister (Mr. Trudeau) was quick to back him up. The government's so-called blended price formula for establishing domestic and foreign prices for oil seems to have run into a snag, and it is not surprising.

The energy minister approached the provinces with a take-it-or-leave-it attitude when he tried to sell the government's pricing formula. Now that he has been rebuffed, he chooses to blame the provinces. I am very concerned about the apparent failure of the government to come up with a national energy policy for a number of reasons, and I am not comforted in the least by the threat of still another clash between the federal energy minister and his counterparts in the provinces.

We are led to believe that one of the main reasons our government was defeated last December was that we proposed to raise the price of gasoline at the pumps by 18 cents per

gallon. Many people called it the 18-cent election. Now we are faced with a price rise of close to 18 cents per gallon for this year, if not more, and we have no way of knowing how much it will rise next year and in the years following. This makes a farce of the present government's support of the NDP's non-confidence motion against our government last year.

There are two things which Canadians must know about our energy situation and which we ought to know as soon as possible. All of us want to know just how much oil and gas prices will rise. We also want to know and be assured that there will be sufficient supplies of oil and gasoline to meet domestic requirements now and in the future. Neither the Minister of Finance nor the Minister of Energy, Mines and Resources has told us whether those contingencies are to be met by the borrowing authority requested in this bill.

Another of my great concerns is the small business community in Canada. Small businesses provide approximately 60 per cent of all the jobs held by Canadians. Yet, small businesses are the most vulnerable and the least protected segment of our economy. When interest rates soar small businesses are the first to suffer. When we were the government, the interest rate for small business loans was about 11.5 per cent. When the rate climbed to 17 per cent and 18 per cent, the point spread was, in many cases, greater than the profit margin of many small businesses in Canada and they were forced out of business.

There is one other point which must be made while I am on the subject of small businesses. The vast majority of people employed by our small business sector are people who do not have professional or technical skills. When the shop or store for which they are working goes out of business, these people cannot easily or immediately be absorbed into the manufacturing or industrial labour force. In many cases they become part of our growing army of permanently unemployed.

That is a vital reason why we must provide financial assistance on a continuing basis for our small business community. The only answer provided so far by this government is to increase the funds available under the Small Businesses Loans Act. That is not the answer. It has been shown that there have always been sufficient funds available to small businesses. That is not the problem. The problem is that they have had nothing in the way of a cushion against the effects of wild fluctuations in interest rates, such as those we have experienced in the past few months. Availability of capital is one thing; whether or not one can afford to borrow is yet another thing.

Another excellent case in point is the government's own Federal Business Development Bank. Recently it shut down its operation, not because of a lack of funds—the Federal Business Development Bank has money to lend small businesses—but because the rate of interest which it is required to charge was so high it was no longer of any advantage to a small business to borrow the money at that price for the purpose of inventory, expansion, or for many other purposes.

Small business people have told me that over the past few months they have been working 12 to 16 hours per day just to pay the interest on the principal of their debts. When I consider the government's request for authority to borrow $12 billion, in addition to the $2.7 billion borrowing authority which it already possesses, I have to think that this would be an excellent opportunity to initiate something in the way of meaningful legislation to protect our small business community. The small business act is simply not enough, and that is a proven fact.

What we need is a more comprehensive act which takes into account the traditional vulnerability of small business to changes in the economic climate, both in Canada and in markets that have a direct effect on our small businesses. We have seen recently that even some of the larger, multinational corporations can get into serious financial difficulties, and we have also seen that there are times when it is expedient for government to bail them out of their difficulties.

● (2040)

I am thinking, of course, of the Chrysler Corporation. Canada's share of the loan guarantee to keep Chrysler alive is $200 million, and we will not know for a while whether this is really a cure or just a short-term remedy. I believe this was a legitimate risk venture for our government to undertake, because something obviously had to be done to protect the thousands of jobs that were hanging in the balance.

However, Mr. Speaker, I also have to think of how important it would have been to our small business community if $200 million had been made available to them over the past few months to provide guaranteed small business loans at an affordable rate of interest. It is easy to calculate the loss of jobs through the failure of a large industry, where 10,000 or 15,000 jobs can be wiped out by one failure. It is not quite as easy to assess the over-all effect of thousands of small business failures where the employment figures are more in the order of 10 or 15 jobs per business, but, the effect on our economy and on our small towns and villages is every bit as great.

Before I move on, Mr. Speaker, I would like to draw attention to clause 2(2) of Bill C-30, which would authorize the government to borrow "in a currency other than that of Canada." There are two aspects of this that are disturbing to me, and I am sure they are equally disturbing to many of my colleagues on this side of the House. The government says this provision is to ensure greater certainty of being able to borrow this much money.

This subclause implies that the government is concerned that it will not be able to raise this money from Canadian sources, and I believe this raises the question of whether the government is already so deeply in debt that all domestic sources of funds are exhausted.

I would also remind hon. members that the spread in the value of U.S. and Canadian currencies is an important factor in authorizing the government to borrow heavily in the U.S. money markets. The premium on U.S. dollars is about 15 per cent, and when the interest charges are added, borrowing in the United States is an expensive proposition. I really do not

think we can afford it, especially at the rate the present government engages in deficit spending.

Mr. Speaker, I think that passing mention might be made of the present government's abuse of political patronage. I wonder if a part of the $12 billion might be used to fatten the government's pork barrel. I see more and more defeated Liberal candidates and hangers-on in cushy jobs around Parliament Hill and the government agencies. While I cannot agree with the government's policy of secrecy concerning its blatant abuse of patronage, I can understand why they would want to hide it from public view and scrutiny. It is a national disgrace.

Many of my colleagues have drawn attention to the fact that the Minister of Finance has not yet tabled a budget, and that he will not give us any indication of when a budget will be forthcoming. This is quite a contrast to the Liberals' demands for a quick budget when they found themselves in the opposition. When we did table a budget, they could not resist jumping on the NDP bandwagon to defeat our government and prevent our budget proposals from taking effect.

Now that the shoe is on the other foot, they have the audacity to ask for authority to plunge us $12 billion further into debt, and refuse to match it up with a budget so that we can see where the money is going. Unfortunately, we do not have the numbers on this side to prevent Bill C-30 from passing, but we will certainly let it be known just how we feel about this matter.

I want to address myself to a subject for a few minutes that has a very personal aspect, one that directly affects my riding and the welfare of my constituents, and that is the matter of regional economic expansion. DREE could be one of the most important functions of government if the present Liberal government had not allowed it to degenerate into an arm of its political machine.

This government has no hesitation in blatantly favouring Liberal ridings in designating areas eligible for DREE grants, and my own riding is a classic example of how the DREE program functions. According to the guidelines used to designate DREE areas, my riding compares favourably to many Quebec ridings that are designated, and yet I have not been able to get one square foot of my riding designated.

On May 14 I had a meeting with officials from DREE in Hull, and I can sum up the results of the meeting by simply saying that I got the run around. When I returned to my office there were two press releases on my desk from the Department of Regional Economic Expansion. One announced that $1,566,250 was granted in respect of five industrial projects in the Montreal area. The other release announced that $2,724,-900 was granted to 12 firms in the Quebec city region. Five hundred and thirty-five jobs are supposed to be created by these expenditures of millions of dollars.

Yesterday I received a copy of the monthly report from the Department of Regional Economic Expansion for the month of March, showing the grants approved in that month. There were 71 grants approved, and 50 of those were in Quebec. The next highest number of grants approved was six, for projects in Nova Scotia. The others were scattered around the country.

I have made representations to various ministers of DREE over the years, without success, to have the northern part of my riding designated. I have not asked for special consideration or favours. I have only asked that this area be judged by DREE's own guidelines, and that I be given the same consideration under those guidelines as other areas in the country.

I think I can be forgiven for being a little upset when I read press releases announcing DREE grant awards to ridings in Quebec that do not qualify any more for these grants than my own riding. The riding of Mount Royal, in Montreal, for example, is considered to be one of the most affluent ridings in the country, and yet, Mr. Speaker, the riding of Mount Royal is designated as an area eligible for DREE grants. At least a part of Mount Royal is designated, and that is all I have been asking for my own riding—that a part of it be designated.

Last Thursday, May 29, there were two articles on page nine of the Ottawa *Citizen* that would be well worth discussing while we are debating whether to allow this government blanket authority to add another $12 billion to the current operating deficit. One article deals with the cost of the government's decision to cancel the relocation of Parks Canada's regional office from Cornwall to Peterborough. The other article deals with the matter of more than $1 billion in cost overruns on about 500 government projects.

To take up the matter of the cost overruns first, Mr. Speaker, I was astounded, as I am sure most other members were, to hear the President of the Treasury Board (Mr. Johnston) say in this House last Wednesday that there is no need for a special committee to investigate the reasons for these cost overruns. While that might appear to be a matter of little importance to the President of the Treasury Board, it represents more than one-twelfth of the total funds being requested in this bill we are debating. When costs of government projects exceed estimates by $1 billion, it is a matter of sufficient urgency to call for investigation by a special committee.

On the question of the cancellation of the move of Parks Canada's regional office from Cornwall to Peterborough, it is quite obvious that the government had expected the Liberal candidate in Peterborough to win the last election, and return Peterborough to the Liberal fold. That did not happen, but Cornwall is still held by a Liberal member. Naturally the move was cancelled.

The minister responsible for Parks Canada has said there is absolutely no basis for the charge that the cancellation was politically motivated. I suppose it is mere coincidence that Peterborough is represented by a Conservative, and Cornwall is represented by a Liberal member. Be that as it may, Mr. Speaker, let us look at the cost to the taxpayers of Canada of the cancellation.

Treasury Board places the cost of the cancellation at $1.1 million, and it must be remembered that this is not the cost of the move itself but the cost involved in cancelling the move.

Because of the disruption of moving plans, the cost of the re-establishment of the regional office in Cornwall will be greater than the original estimates.

According to the Treasury Board submission, nearly half of the compensation paid to employees because of cancellation, or $536,000, will not be covered by current Treasury Board policy. The Treasury Board more or less dismisses this little discrepancy by calling it an act of grace.

Here are some examples of where this money will go. The spouse of one Parks Canada employee will receive a lump sum payment of $30,000 to cover "career injury, interim costs and lost income" caused by the cancellation. Another employee who declined a promotion elsewhere because he preferred to move to Peterborough will receive a lump sum payment of $10,000. The list of such payments is too long to read here, but these examples should give some idea of the ridiculous position the taxpayers have been placed in unnecessarily.

● (2050)

The $1.1 million cost of the cancellation does not take into account the potential legal actions that are likely to be launched by employees for personal suffering, career prejudice, mental anguish and other suffering. There is also the question of a decline in employee morale due to the uncertainty of their situation. The government has certainly bungled this Parks Canada transfer, and that is a high price to pay just to thank the people of Cornwall for voting Liberal.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise to participate in this debate on Bill C-30, an act that may be cited as a borrowing authority, 1980-81. Before I get into discussing the bill, I would just like to mention a couple of debates that have gone on before and the shock and the sadness I experienced last night when my colleague, the hon. member for Fraser Valley West (Mr. Wenman), was discussing some of the problems in the west.

I believe it is fair to say that the members of this House have a very great duty to all of Canada, not just their specific regions. Although they do represent their constituencies, they have to assess Canada as a whole. I will quote the Minister of Veterans Affairs (Mr. MacDonald) who, speaking in Regina on June 2 said:

> It is important now for all Canadians, members of both founding groups, native Canadians and those that have come from many other lands, to join together to build a stronger Canada. We must work together to meet legitimate aspirations of all parts of this great country.

However, last night when my colleague from Fraser Valley West was discussing just those regional problems and expressing concerns of the west, the names of three provincial ministers, all of a different political stripe, were mentioned in this House. When their names were mentioned, some members in this House booed them. I am from Ontario. I am a Progressive Conservative and proud to be one. Also, I am from Brampton where the premier of Ontario resides. In fact, he is my MPP. I do not always agree with him. I do not always agree with Mr. Blakeney, Mr. Lougheed or Mr. Bennett, but I have respect for them and the constituencies they represent.

I was shocked and saddened in this House to hear members here boo provincial premiers. We should all be ashamed of that action last night.

An hon. Member: It was the Liberal members.

Mr. McDermid: It was Liberal and NDP members.

Some hon. Members: Oh, oh!

Mr. McDermid: Read *Hansard* and you will see. I will now discuss the borrowing bill. I was interested in listening to my friend from Ottawa Centre last night, the Parliamentary Secretary to the Minister of Finance (Mr. Evans), come here to bamboozle us with some figures, figures that quite honestly do not mean a thing to the public.

How can the general public relate to $12 billion? There it is, $12 billion, represented in that one piece of paper. I tried to break that down so maybe the average Canadian could understand what it is. In round figures, it is $33 million a day. Really, that is a little hard to conceive, so let's break it down to an hourly rate. It is $1,400,000 an hour. That is also difficult to comprehend. There are very few millionaires here, except for a few on the other side.

Let us break it down to a minute. It is $23,000 a minute and, as we know, that is far above the average Canadian salary. Let's break it down to per second. This government wants us to approve a bill that will allow them to borrow $400 a second over the next year.

Mr. Chénier: He can count!

Mr. McDermid: Certainly I can count. You guys can't. Do we really need to approve this borrowing authority? I think not, not without giving the specifics. If you, Mr. Speaker, went to your bank manager in Ottawa West and asked for $10,000, and you would not tell him what it is for, how you were going to spend it, how you were going to pay it back, just asked him to give it to you, he would kick you out of the bank. We should kick these guys out for their nerve in asking for $12 billion.

Mr. Chénier: That's what Canadians did to you, and don't forget it.

Mr. McDermid: Perhaps Parliament should tell the government that same thing, since it does not want to tell us what the $12 billion will be used for, or where the Liberals plan to steer this country in the next four years. The other day in question period the Prime Minister (Mr. Trudeau) said part of the deficit is going to go to the guaranteed income supplement, the $35 income supplement this House passed within the last few days. That is not what he said in the campaign. I remember very distinctly that on January 12 his great platform was that there would be no new expenditures, that we would redirect old funding to provide these things. Specifically, with regard to the guaranteed income supplement, he made the commitment to the Canadian people that the money would come from increased corporate taxes, yet yesterday at page 1626 of *Hansard* he said:

This very House has adopted, as recently as last week, measures which will increase that deficit, precisely to assist people receiving the guaranteed income supplement and the hon. member was supportive of it.

Certainly we were supportive of a guaranteed income supplement increase. However, the Prime Minister in his campaign told us it was coming from increased corporation taxes. Now he is telling us he is going to deficit finance—another flip-flop, another broken campaign promise.

The Minister of Finance (Mr. MacEachen) in his "bootleg budget", as the hon. member for St. John's West (Mr. Crosbie) would say, said "Our latest forecast is that the economy will grow by one half of one per cent, which actually means no growth." Why then should the government need $12 billion? This question remains unanswered. The minister also stated that "government expenditures on goods and services will continue to be affected by policies of expenditure restraint." I ask you, Mr. Speaker, what kind of restraint is this? If the statements of the Prime Minister and the Minister of Finance are to be believed there is no need for an increase in government spending this year. In fact, however, spending this year under the Liberals will increase by a whopping 13.5 per cent. Asking Parliament to approve borrowing authority for $12 billion without bringing forward a proper budget is an abuse of Parliament, not the first such incident, and as long as this government is in power I am sure it will not be the last. It is an attempt, as we have seen so often in the past, to operate in secret and keep the facts about the public purse from the country. We are left in the dark as to their conception of the future of Canada and what plans they may have to guide the country over the next few years. It represents a disastrous deepening of the debt already placed on the shoulders of Canadians. It is an horrendous imposition upon future generations of Canadians. Do hon. members opposite not have the integrity to bring down a budget in line with proper parliamentary procedure and allow it to be debated in this House, thus giving the Canadian people a chance to judge the legacy which is to be left to the youth of this country—nothing but unpaid bills. We shall have to pass the torch to the young people of this country to carry on but I am worried as to whether they will be able to carry it because it is going to be so heavy with debt—$84 billion if we approve this thing.

● (2100)

An hon. Member: Assuming they do not use the existing authority.

Mr. McDermid: That is assuming they do not use the existing $2.9 billion and all the money they can get from savings bonds.

Since the opening of this session the Liberal government has really not put forward any legislative proposals to improve the economic climate and this includes the new "employment program" that the Minister of Employment and Immigration (Mr. Axworthy) announced. We have seen nothing but the usual fillers and housekeeping measures and now we have this one-page bill before us, a bill which will do nothing but saddle our children with overbearing debt. And members opposite wonder why the people of Canada become a little cynical about parliamentarians when they take a look at one sheet of paper and it calls for $12 billion. Why is it they require this money so urgently? Do they intend to wait that long before presenting the House and the country with a budget? It looks like it. We shall be in dire financial difficulties if we fail to give the country the economic direction which is so sorely needed. Bill C-30 asks the House to approve borrowing authority for $12 billion as well as authority to borrow the remaining portion of the amount authorized in days gone by. I understand this would be around $2.9 billion if the figures are correct.

In his statement of April 21, the Minister of Finance projected that expenditures for 1980-81 would require $11,730 million. These figures are based on the current revenue-expenditure structure—we are not sure exactly what that structure is. I am sure the President of the Treasury Board (Mr. Johnston) over there is scratching his head, wondering the same thing. He also stated that these figures did not reflect foreign exchange transactions which resulted in a requirement of $222 million in the fiscal year 1979-80.

An hon. Member: That went down the sewer.

Mr. McDermid: How much will the authority asked for to repay loans in foreign currencies cost the Canadian people? I had the privilege recently of crossing Canada and fulfilling speaking engagements at youth gatherings.

Mr. Regan: They voted Liberal!

Mr. McDermid: They listened. Let me tell the minister something. I was out in Alberta the same time as he was. His convention was held in a phone booth and he rented out the extra space. Our meeting was held in a hotel and we had a jam. I will tell you another thing. The boys from Ontario didn't go out there and "knock" any of the premiers out west like you did, either. You did a great job for national unity out there.

An hon. Member: Address the Chair!

Mr. McDermid: Let me get back to the young people. I had the pleasure of discussing their concerns across this country of ours and they are asking: why don't you people pay your bills; why are you putting them all together and packing them into a debt and passing them on for us to pay down the road; why don't you pay when you fill up your car, why don't you pay what it's costing you; why should I pay your gas bills? That is a legitimate question and I want to know why the minister of energy doesn't answer the youth of Canada when they ask that question. Why isn't the government paying what it costs? Everybody is willing to pay their share. We are subsidizing it now to the tune of $3.4 billion, or whatever it is, and it is growing every year and his blender has broken down, he can't get the darned thing to run.

An hon. Member: Oh, come on!

Mr. McDermid: Someone says "Oh, come on." Well, all we have heard since Christmas is "blender, blender, blender" and we haven't seen a darned thing come out of it yet.

A turning point in the history of this great country has just passed. It has shown me that Canada wants to stay united. I hope the government realizes that it has an opportunity not seen since 1867 to let the youth become the new pioneers in shaping Canada. Obviously, they ought to commit themselves to a program of reducing the enormous burden with which our young people are confronted. They ought to be giving them a fair fighting chance. But they are not. They are just piling up this debt. The party opposite has no concern at all for the youth of Canada or for the future of Canada.

Mr. Regan: Enough concern to put a 13-cent tax on.

Mr. McDermid: Slow down, you will have your turn. When members of our party were on the government side we had respect for this House and for the Canadian people. The present government continues to shroud its feelings—

An hon. Member: They voted you out!

Mr. McDermid: Well, we are represented in every province of this country. So keep yapping over there. The Canadian people need, and indeed deserve, honest government, a government which is not afraid to tell the public the cold, hard facts about the state of the economy. Open and honest government is the key to a democratic society. It was a great honour to serve as a member of that government, a government that was open, a government that was approachable, a government which was honest. Why is it that the born-again leader of the Liberals and his recycled cabinet are letting this great country slip into a serious state of financial dependence on foreign countries?

An hon. Member: Sour grapes.

Mr. McDermid: I heard sour grapes this afternoon. I heard my leprechaun friend from the great land of Lincoln get up and criticize us for dwelling in the past. I am talking about a bill which is current, but let me just cover a couple of the facts that he referred to this afternoon. I know he is Irish. I know he is full of the blarney and I know he likes to exaggerate a bit. But he stood up this afternoon and stated that the budget presented by the former government projected 13 per cent unemployment. Well, I don't see that in it at all. In fact, there are no projections over 8.3 per cent for unemployment. The hon. member did that during the campaign as well and misled the Canadian people. He also said this afternoon—and the record will show it—that tax credits are great except they don't help the poor. Something he forgot to mention was that it was a negative tax credit and that, in fact, the money would be received even if the recipient did not pay taxes in that year.

● (2110)

That is the way he won his campaign, by stretching the truth a little bit with just a little bit of the Irish poetic licence, perhaps, or a little bit of the blarney that he spread over the great riding of Lincoln. The same old gang is over there, with the odd one left out of the cabinet. Those who dared to question their leader are the odd ones out of the cabinet. Now they are being slapped into committee chairmanship jobs as fast as possible to keep them quiet, but it is the same old gang over there, and they are continuing the same practices which have burdened the Canadian taxpayer for 12 years.

I get the impression that the government cannot grasp the magnitude of the staggering figure it is asking for. In order that it may be more enlightened I am going to use the following example. Let us try to put this into perspective. If from the day that Christ was born a man had spent $1,000 every day of every month of every year, by the end of this century he would have spent $730 million. That is all, at just $1,000 a day.

That would still be almost $300 million short of $1 billion. The government is now asking for $12 billion in a two-clause bill. Surely the government realizes what this is costing the Canadian taxpayer. Surely hon. members opposite realize that to pay off our existing net debt, without adding this one on, would cost $7,725 per taxpayer. I do not know what this government is thinking by burdening the Canadian taxpayers like this, but hon. members opposite sit over there and smile. They are smug and safe for another four years, but they will be hearing from us over the next four years, and we will be keeping them honest.

An hon. Member: That is impossible.

Mr. McDermid: My colleagues say it is impossible to keep them honest. My colleagues are always right. I bow to their wisdom. They do know of what they speak. Many of them have been here much longer than have I.

Mr. Regan: And will be.

Mr. McDermid: Be careful, sir.

Right now one out of every four tax dollars is used to service our debt. If the Liberals continue to spend money at this rate, who knows what deficits will face our children?

Mr. Regan: Which programs do you want to remove?

Mr. McDermid: In short, this borrowing authority adds substantially to our debt and was really not expected at the start of the year. It will mortgage our future for years to come.

The minister asked which programs to cut. I heard him say that very clearly. He has now buried himself in his letter writing. I want the minister to tell us where he is spending the money first so that we can see if there is anything there to cut. He should come clean with the Canadian people and tell us where he is spending the money.

Mr. McKenzie: You can't cut what you can't see.

Mr. McDermid: My friend from Winnipeg tells me we cannot cut what we cannot see, and that is right.

I am sorry the Parliamentary Secretary to the Minister of Finance is not here. He made a great statement last night. He made a few errors in his statement which he had to correct today. He said he wants to borrow $1 billion with a margin for contingencies. Then he said that the government may need $1 billion less than it is asking for once it gets its blender into operation because Mr. Magic, the Minister of Energy, Mines and Resources (Mr. Lalonde), is going to plug in his blender, put it on high speed and come in with a saving of $1 billion on the deficit.

He is passing it on to the consumer, but he will not admit it.

I feel it strikes at the rights of Parliament for this House to approve borrowing authority in the amount of $12 billion—that is $400 per second—for the next fiscal year, without estimates, which are in fact the true estimates, even to be asked for that approval in the face of massive inconsistencies and errors on the part of previous Liberal finance ministers in presenting previous numbers, forecasts and figures. This time they do not even present the inconsistencies.

According to the record of proceedings, the minister simply said that the government requires the authority to borrow $12 billion to meet this fiscal year's cash needs, including the present margin for contingencies. That is some margin for contingencies. How can we remain financially solvent when we think of the millions of dollars we already pay in interest every day and of our debt which increases visibly? I am sure that since I have been speaking it has built up but by how much?

Mr. Corbett: It is probably up to $10,000 now.

Mr. McDermid: We must stop and think of future generations. We must think of our children and our children's children who will have to pay back this money. How can anyone explain this bill otherwise? How can we be silent when faced with the amount of interest the government will have to pay if Parliament passes this bill before us? Just when will the Minister of Finance finally announce tax measures and policies which will speed up our economic recovery instead of always increasing the burden of the national debt? Come on, Mr. finance minister, answer our questions through a budget.

Some hon. Members: Order.

Mr. McDermid: Canada deserves no less at this time.

Some hon. Members: Hear, hear!

Mr. Arnold Malone (Crowfoot): Mr. Speaker, in rising to speak on Bill C-30 to provide borrowing authority for 1980-81—

Mr. Pinard: Filibuster.

Mr. Malone: —the first question which comes to my mind is whether this is going to be the first request for borrowing. This bill is labelled 1980-81 borrowing authority. I have been a member of Parliament now for some six years.

Mr. Pinard: Too long.

Mr. Malone: While I am not in any way a veteran of this chamber, it is a fact that in that period of time I have had the occasion every year to write a blank cheque for this Liberal government. They have asked for money without giving any indication as to what it is to be used for. We should recognize tonight that there has been a very interesting phenomenon here. Through numerous speakers the members of the official opposition, the Progressive Conservative Party, have taken the position, first, that we ought not to be borrowing these expansive amounts of money. That is not the nature of Canada with our wealth or our resources. The second position we have been taking is that at no time should the Parliament of Canada be asked to allow the borrowing of money without being given any idea as to what the budget for the expenditure of those moneys is.

I find it interesting to note that the members of the New Democratic Party to my left have been taking a very similar position; that is, that the government ought not to be asking Parliament to authorize borrowing by the government without having any idea what it is to be used for.

The Minister of Finance (Mr. MacEachen) stood in his place, I doubt if it was for longer than five minutes, and explained that he needed the money, but did not give any reason which convinced me that he was particularly in favour of the bill. He was followed by two or three other Liberal members, one being the hon. member for Ottawa Centre (Mr. Evans), who did not speak about the bill at all. Then the hon. member for Lincoln (Mr. Mackasey) rose in his place to talk about the campaign of the 1980 election. If it takes some courage to speak against this bill, I wonder why it takes such a mustering of courage on the part of hon. members opposite to even rise in their places and support this bill. Surely this now beccomes a question for the people of Canada. Considering that we have a debt at the present time of some $60 billion, is the trend going to be to come to Parliament asking for borrowing authority to go into the international money market to ask for another $12 billion?

I think it is time we set certain facts before the Canadian citizen. The largest single portion of the tax dollar the Canadian taxpayer pays goes to pay for the interest on accumulated debt.

• (2120)

This does not buy any new fighter plane, it does not buy a new health service, it does not provide any new agricultural research. The largest portion of our tax dollar goes to pay for interest on the debt, to the extent where today of all the money raised by governments in Canada—and I am speaking about the three levels of government—42 cents out of every $1 goes on government expenditure. I think the two are hand in hand because what we must see in this country is a nation with one third of the world's fresh water, the largest supply of fresh water of any nation in the world, but no developed inland fresh water fishery of any significance. This is a country with all the resources of agriculture, forestry and mineral rock, all the resources which could make us into a nation which could

develop and grow. But here is a government which has adopted for a dozen years now the notion, not that citizens should be given the incentive to build, to manufacture and to have a kind of growing mentality which says, "let us make this country into something great", but instead has stooped to say, "let us borrow more money, not to generate more wealth so that we could be richer both in our private lives and in government, but to run to the international marketplace to borrow and on the basis of that borrowing to look after our social needs."

One of my experiences gleaned from being a member of Parliament is that I do not think it matters very much if you are a Liberal, a New Democrat or a Conservative in terms of being able to identify a problem in the country. When any member of a party looks at a problem, he tends to see it. If we note that the native people of Canada are not satisfactorily housed, I believe that, regardless whether we are Liberal, NDP or Conservative, we all see the fact that they are not satisfactorily housed. The difference between political parties is how we respond to the question. We find it to be the tradition of Liberal members of the House that instead of allowing this country to grow in an exciting and beautiful way so as to match the country's potential, they have taken the strong centralist government notion of, first, controlling and, second, of believing that we have reached our limits of growth in the country and that all we can do now is to simply borrow further in the international markets and make ourselves more and more dependent on the deficits being created.

We are now spending $15 billion a year more than this government collects in taxes. I do not expect, for a moment, that any citizen who is aware of that fact will not say simply that at first sight this is a situation we cannot tolerate today, nor can we tolerate its extension year after year, because citizens of this country know they cannot run their farms, their corner grocery stores, or Stelco or Chrysler or any other corporation, if there is not a sense of balance between what you do, what you earn and what you spend. Yet somehow this regime in 1968 came in under that great new something who swept the nation in 1968, looking like the hon. member for sanctimony. He came to the public of Canada which believed he was the answer. He probably came out of the new line of economics which is often referred to—

An hon. Member: Keynes.

Mr. Malone: Yes, the Keynesian theory. It was on the tip of my tongue but I did not have a tongue quite as long as do some others. But the Keynesian theory is somehow the belief that if you always save money, your system will not grow. Keynes' idea was that if the government were allowed to spend that money for you, the private sector would not have to do that spending. I think that theory has been put to rest, and with it should go the Prime Minister (Mr. Trudeau) and all the people in the Liberal party.

Some hon. Members: Hear, hear!

Mr. Malone: Somehow they have the notion that we can tax the people, take their money, spend it as we wish, and then when we do not have it, borrow more and go into debt. I think it would be worth while for Canadians to know the extent of debt they are being put into, because the debt of today's government, if we take the perspective that debts must be paid, is over $3,000 for every man, woman and child in the country. Interestingly enough, for a family of four, in just three years time, there will be a family debt of some $20,000 built up by the federal Government of Canada. This will become the albatross and the cement blocks around the necks of the children of the future.

I think it is quite one thing to say that we need certain social policies and, therefore, we are going to stand by them because our hearts are big and they bleed for the people of Canada. I think it is quite a different thing to say that we all in this House have a social conscience. You do not have to be a socialist to have a social conscience. Surely, in doing that which we call the common good for the country, we are not just running back to the international trough and saying, "fill it up again," especially in Canada where we have the resources to make the country work and to earn the kind of a life standard we all want.

I would like to diverge for a moment to say that Canadians can surely do that, because if you take a country like Japan, with 110 million people, having only the resources of fish and tin and having zero unemployment and one of the highest economic standards in the world, why is it that this country, with all the resources, all of the blessings of educated people, with the talent of a democratic system and court system, cannot put it together?

An hon. Member: We have a Liberal government.

Mr. Malone: Well, my colleague says we have a Liberal government. It is amazing how liberal it is when it goes looking to the international trough. I have been here, as I said, some six years. All I know is that, just looking at this decade, 1970-71, the federal government came before the Parliament and asked for borrowing authority for some $3 billion. Then they came back for borrowing authority for another $3 billion. In 1972-73, they wanted another $3 billion, and in 1974 they came for another $3 billion. Note that in the first four years of this decade they needed $3 billion each time they came. Thereafter, in 1974, they wanted $5.5 billion, then $6 billion in 1975-76. In 1977 they needed another $6 billion. Then in that great year of 1977-78 they wanted $28 billion, and now in 1978-79 they want another $28 billion. They say that this bill requests borrowing authority for 1980-81. They are after $12 billion now. There is absolutely no guarantee this is the last time this year they are coming back to Parliament. If past experience counts for anything, they will be back to the trough again saying they need more money. The simplest thing that Canadians can ask for and that Parliament should expect is that there be no granting or borrowing of money unless the government is willing to show accountability for the money they are given.

Some hon. Members: Hear, hear!

Mr. Malone: I listened to the speech made yesterday by a member of the NDP, and I thought it was a good speech. He said that appropriations should be divided up into quarters and accounted for by the government on a quarterly basis. That makes sense to me. As a matter of fact, I would think that is the most logical thing we could expect and that the citizens of Canada should expect the presentation of a budget. The basis of that budget gives a projection on how we intend to spend money. On the basis of how we make the projection, then the government has the right to say, "This is the way in which we will spend it". At the present time we have a total deficit of $66 billion and a request for an additional $12 billion. We also have the knowledge that if we add on to that the service and interest charges, it will cost Canadians over $80 billion.

● (2130)

We ran out of billionaires in my constituency a long time ago. We do not have any. In fact, our millionaires are very limited. But if one took a dollar bill which is precisely six inches long and laid one million of them end to end, that million dollars would stretch for approximately 85 miles. If one took a billion dollars, it would go from Vancouver to Halifax and back five times. The government is asking us to give them 12 of those so that they can spend them without giving any idea to the people or the Parliament of Canada as to what they want the money for. They indicate that they just need $12 billion and they expect us to say, "Yes". Why are they requesting $12 billion, for what reason? Perhaps they need only $6 billion or $11 billion. Surely it is unacceptable that the government can ask for $12 billion without the slightest indication as to what the money will be used for. That is unacceptable. It shows what I see as the style of the Liberal government. They love to spend money, but they do not care very much about accountability to Parliament. They do not care very much about how much they must tax people or the debt. Within their mentality of running the Parliament of Canada, power becomes more important than achievement, power becomes more important than Canadians and the purpose for which they became the government in the first place.

If any citizen of this country loses his Chargex or MasterCharge, he should worry and immediately phone the head offices of those companies to let them know his cards were gone. But if he ever lost them around Parliament Hill in the presence of Liberal members of Parliament, he ought to change his identity and get out of the country as quickly as possible. There is only a 24-hour protection period, and they have the ability to run up a debt quickly. So, he should not leave his cards lying around this place.

I should like to change the emphasis of my thoughts for much of the remaining time I have this evening. I want to talk as an Albertan and as a Canadian about one of the very important problems facing our country at this time. I should like to reflect to a large extent upon energy and the way in which I think a new approach to the energy question in fact could provide us with a situation where we would not have to go out and borrow money at the present rate. It would provide all Canadians with a far higher and greater sense of wealth than exists at the present time in this nation. At this moment in 1980, we in Alberta do not need more tar sands plants, smoke stacks or industrialization. But there is a view among Albertans that as Canadians they must accept the fact that there is a need for more energy in Canada. For reasons which will affect our lifestyle, we do not want the influx that will bring us a great deal more labour, a great deal more welfare, hospital and school costs. We must accept the burden that in the national interest we need to assist somehow in getting away from our dependency on foreign energy, but we will not take a rapidly depleting resource and simply put it on the shelf at any value. We must be aware of what will happen if western provinces go down the tube. I should like to tie in the important question of energy with the important question of borrowing. In fact energy is one item of cost that could provide more money for the running of government than is necessary. At the present time we are importing some 500,000 barrels of oil per day. The cost this year will be some $3 billion. That means that we are taking an amount of money out of the pockets of Canadians and simply transplanting it somewhere else in the world. It goes to Venezuela, Mexico or some country in the Middle East. It does not create a single job in Canada. It does not roll a piece of pipe out of any of our steel mills dotted across the country. It does not employ anybody and it does not use a Canadian resource. I cannot understand why the government is so bent on paying the world price for Mexican oil when it cannot even make a suitable deal for Canadian oil from Saskatchewan, Alberta or British Columbia. It is obvious and well known that there is an agreement with the provinces to give a price at below the world price that would enable us to become self-sufficient in energy and would place us at a competitive advantage far and above that of the world situation.

We must recognize that the governments of western Canada are willing to make our country self-sufficient in energy. It should also be noted that in the past number of years we have lost money in the production of oil out of the tar sands. Any money which has accrued to the coffers of Alberta came from what we call traditional supply, the old pumped oil. A report released three weeks ago indicated that traditional supply has a limited capacity of about another 11 years. That resource took the people in my province from the old coal oil lamps, the drafts and the old Eaton's catalogues in the outhouses into a province which enjoyed a standard of living equal to that of other more well-to-do provinces in the country. I say to all members of the House quite sincerely that the citizens of the provinces of Saskatchewan and Alberta are still quite young. They remember all too well what it was to be living in a situation of poverty in the prairies. Every boy and girl growing up there today is just one generation away from a reminder of what it was like not to be a part of the central mainstream of wealth in this nation. It should also be understood that in the 1910s and the 1920s we knew that there was an oil production capacity in those provinces. We rapped and rapped upon the doors of the money markets of central Canada. We begged for them to come and help us develop. There was nary a response

and no one would even take a look at the development of petroleum in western Canada. Finally the Americans came in and they gave us assistance through five fairly large companies.

In the Speech from the Throne one of the objectives of the Liberal government was to make the oil industry 50 per cent Canadian-owned by the end of this decade. I wince at that; it makes me angry, it makes me bitter. It would not make me angry if they said they were going to make industry 50 per cent Canadian-owned or even if they said that they were going to make the energy industry 50 per cent Canadian-owned, but when they singled out petroleum, they singled out my province. At the same time they talked about a government agency that is not just 50 per cent Canadian-owned, it is government-owned. Following the Speech from the Throne I was called upon in this Parliament to grant some $240 million to the Chrysler Corporation. We must ask the question: What is so awful about our multinational corporations that somehow a central Canadian multinational corporation receives the blessing of government. They are told, "Here is a cheque, go forward, boys and do what you can. If you can survive it, then away you go". Frankly, I think this expresses an insensitivity to the fact of what is happening in terms of looking after control of resources.

• (2140)

I mentioned that we have 11 years of oil supply left in our country, that is traditionally pumped oil. I think it would do members good if we had some understanding as to why the price of oil is going up. I have various data that reflects upon what would happen if different things occurred in the oil industry.

For example, in 1949 the average Canadian worked for 21 minutes in order to buy a gallon of gasoline. In 1979 that same Canadian had to work eight minutes in order to buy a gallon of gasoline. I set that aside. I do not think that is the reason gasoline should be more expensive. We could become a more wealthy society. We do not need that as the reason. I suggest we take a look at the price of gasoline around the world. We note that in Toronto at the present time it is about 22 cents a litre, in Melbourne it is 25.1 cents a litre; that is Melbourne, Australia, for those who might wonder. In London, England, it is 42.5 cents a litre, or double the Canadian price. In Tokyo, it is 56.3 cents a litre. In Paris, it is 68.8 cents a litre and in Zurich it is 73.7 cents a litre. I set that aside. I do not think because the price is double or triple in some other place ncessarily means that the price of gasoline has to be higher here. We can then say that gasoline is a certain price, gasoline is a liquid and it comes in litre measures. What else is liquid, and what else comes in litres? Let us take a look at some comparisons.

Here in Ottawa when I came to work this morning I saw a sign displaying 24.9 cents per litre of gasoline. The easiest way to think of that is that it costs you two bits to get a litre of gasoline in Ottawa. Maybe it would do Canadians some good to reflect upon the fact that for a litre of orange juice we pay $1.16. For vinegar, we pay 71 cents a litre or almost three times as much as we pay for a litre of gasoline. St. Lawrence corn oil—that sounds like some minister opposite, and here we find a Liberal price tag—costs $2.45 a litre. Corn syrup has a sticky price of $1.60 a litre, and even Bessie the cow will not produce, because it costs 66 cents a litre for milk. Then comes Downy fabric softener. I do not know why my researcher chooses Downy, but it is $1.53 a litre. Pine-Sol—we need a little of that for this chamber—costs $3.23 a litre. Next I asked what we could get that would be as cheap as gasoline.

An hon. Member: What about whisky?

Mr. Malone: We will come to whisky in a minute here, sir. I asked what the cost would be for distilled water for irons. I found out it costs 40 cents a litre or about twice as much as we pay for gasoline. I am from the oil-producing province. But I ask hon. members whether they know how we get gasoline? First, one sends out seismographic crews who send shock waves into the earth. After receiving some information they put test holes in those formations where they think they might get some samples. The average is about one well to ten test holes. If they get enough wells, and I underline the word "if", they will develop a field. Once the field is developed, the oil is piped to the refinery. From the refinery it goes to central Canada to a tank farm. A man with a truck picks up the oil at the tank farm and drives it to a service station. There the fellow with the little cap comes out and fills your car with gasoline charging you 24 cents a litre for it.

An hon. Member: You can get gas a lot easier by talking to a Liberal.

Mr. Malone: You can get gassed talking to a Liberal.

Some hon. Members: Oh, oh!

Mr. Malone: I set that aside, Mr. Speaker, and say that is not even reason enough that the price of gasoline should go up.

The reason the price of gasoline has to go up is that it costs more today to get it than it did in earlier years. Those who have had the opportunity to reflect upon the photos or even to see first hand those wells of 1949 in the province of Alberta, especially Leduc No. 1, will recall that this was a well the media referred to as a gusher, a wildcat and a blowout. It shot oil some 200 to 300 feet into the air. There was oil over everything. The derrick in the ground and the men were all covered with it. These were the early gushers of this century. Most Canadians do not appreciate that oil is not in the ground like water in a lake. It is in what we call a tertiary formation. It is locked into sandstone in the pores and the molecules of rock. When that oil first came up, we ran for about a decade simply having to pump the oil horizontally along the ground and off to the refinery. Then the time came when there was simply no more pressure. We then had to use the rocking donkey-head pumps to suck the oil from down below, put it into the system and so off to the refinery. That was the end of what we call our primary recovery. From then on, and quite by accident, and we knew there was much more oil down there,

another method was developed by which we could bring it to the surface. This was accomplished by pumping down hot brine, hot salt water. This added to the cost, but it brought the oil to the surface. As you do not want salt in your crankcase, that of course must be extracted. Again, the cost goes up.

An hon. Member: That is a Liberal plan.

Mr. Malone: It would be a Liberal plan indeed.

An hon. Member: It would salt their crankcase.

An hon. Member: We got it in our crankcase.

Mr. Malone: When it came to the point that we could no longer bring the oil up by what we call the hot brine method, we moved then to a method of fizz carbon dioxide. This again brought more oil to the surface. This is a method we are using today. It brings our oil to the surface at $13.75 a barrel. We have 11 years' supply left of that conventional oil, and that is all. Canadians should know that 70 per cent of the oil in those fields is still underground. The problem is, if we go to an additional secondary recovery to get any significant amount of that oil, it will cost close to $50 a barrel. Naturally, the choice is made. Secondary recovery is left for new technology and for some period in the future.

In the interim we moved to tar sands oil. It baffles me that Canadians do not know that it costs more to mine oil than it does to pump it. If people could see the operation in the tar sands where we are able to bring oil out at some $20 to $21 a barrel and they could see the kinds of machines working there. The wheels on trucks are so large that when a man stands beside one his head is below the rear axle. This project is comparable only to that of the James Bay project. Surely that mining of oil, its extraordinarily high costs and the fact that the tar sands projects today are losing money, should make us realize there is a middle road here. We can use Canadian resources, employ Canadian people, develop Canadian industries in central Canada to produce the steel, the pipe and the valves, take them to where they are needed anywhere in the country, and put this resource into place. That reflects a difference in mentality, that I see, between the Liberal government and those who would like to develop and grow in the nation. There is a difference between the ones who want control in Ottawa, those who want to borrow and do not care if they borrow, those who want to buy oil—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Thunder Bay-Atikokan (Mr. McRae) on a point of order.

● (2150)

Mr. McRae: Mr. Speaker, would the hon. member accept a question at this particular point?

Mr. Malone: Mr. Speaker, my concern is whether or not the member can ask one.

Mr. McRae: The hon. member just used the figure that oil recovery by secondary treatment would cost about $50 per barrel. I wonder if the hon. member can justify that figure. I have heard figures of around $7 per barrel or $8 per barrel, but I have never heard a figure of $50 per barrel. I would like the hon. member to explain how he came upon that figure as a general figure for secondary recovery.

Mr. Malone: Mr. Speaker, I did not know that I would have to do a secondary treatment on the hon. member. I already said that is not the price today for secondary recovery. I mentioned the two stages, the hot brine stage and the fizz carbon dioxide stage, and I said that when those methods of technology are gone, the next significant stage of secondary recovery with our present technology will constitute that price. I said that we will run out of oil in about 11 years time and that therefore the supply will be from the tar sands.

I invite the hon. member to pay attention because, as the hon. member for Fraser Valley West (Mr. Wenman) said last night, the mood of this country is not what members opposite may think. The glue in this confederation is very, very thin. The mood in western Canada is one that I do not wish to harbour. I hear my constituents week after week talking about separation. I talk to the people who suggest this, and I listen to what they have to say. I have come to the conclusion that when they make this suggestion they are not expressing a wish or a desire, they are expressing frustration.

Mr. Regan: Oh, oh!

Mr. Malone: It should be noted that while I talk about one of the serious problems facing this country, the minister of sport chooses to heckle across the House as if he does not need to pay attention to that part of Canada.

Mr. Regan: I certainly do not need to pay attention to that sort of guff.

Mr. Paproski: Just cash that cheque.

Mr. McDermid: He goes west and knocks everything.

Mr. Malone: The other myth which must be dispelled relates to the use of the acronym OPEC. There is no doubt that OPEC was brought about because of an unfortunate and unfair cartel of more than a decade ago. OPEC came about because of the most unfair, extraordinarily low pricing of five American oil companies which were operating in the Middle East. These companies held the price of oil so artificially low that the members which later formed OPEC said they simply could not tolerate it any more. At that point they formed what has become known as OPEC. I was about to list the countries, but that is not necessary. These countries, united under OPEC, discovered that they were a world power.

But OPEC does not exist as a cartel today. In 1972 and 1973 OPEC did exist as a cartel, but if one looks at the list of countries in OPEC and notes the great variations in the price of their oil, one can hardly refer to OPEC as a cartel. For example, the price of oil in Saudi Arabia is $28 a barrel,

Nigeria $36.71 a barrel, Iran $35 a barrel, Ecuador $36 a barrel, Kuwait $29 a barrel, Qatar $31 a barrel, Iraq $30 a barrel, Libya $36 a barrel, Indonesia $31 a barrel, Algeria $35 a barrel and Venezuela $31 a barrel. A cartel refers to groups joined together to establish a fixed price on a commodity.

It is also interesting to note that there are many other countries which are not members of OPEC but which have prices just as high. I cite Great Britain which is self-sufficient in North Sea oil. There is also West Germany and other countries around the world which have oil prices just as high, but which are not dependent upon an oil supply from an OPEC country. The question as to whether the oil price today is led by OPEC or whether it is a world commodity price is a question we must ponder.

As long as we continue to say that we are being gulped up by OPEC, then surely there will be a greater division in the country, particularly in view of the fact that the western premiers have said they are not after the world price, but after a certain percentage of what is the world commodity price. That is an entirely different factor when one refers to an international cartel that sells at one price. We have countries outside OPEC like Great Britain and West Germany which charge prices that are equally as high.

We also have situations where, for example, in Lloydminster, Saskatchewan, it takes one barrel of oil to recover two barrels. In other words, for every three barrels of oil, one barrel is required to bring the other two up, or 30 per cent of the energy brought up is required to bring the oil up. I am referring to a secondary recovery system which requires steam for heat and hot brine to loosen the oil from the tertiary formation in order to bring it up.

I plead with all members to acquire an understanding of this industry and the great potential it offers Canada. There is no nation which has the blessed fortunes of this land and all the resources; its human capacity, its forestry, its fisheries, its minerals or its energy. We have a great supply of this form of energy, but we must be willing to pay the cost to get it into the Canadian market. This in turn will create Canadian jobs, particularly in the Canadian pipe industry. It will save us from paying the world price and put us at a competitive advantage in the world.

However, if we choose to take this projected $8.5 billion out of Canada by 1985 and send it to Mexico, Venezuela or the Middle East and not create a single job or employ a single Canadian—or a married one for that matter—then surely it does not in any way behoove us as a nation to take the position that that kind of throwing away of our money is of any standard that in this country should be looked upon—

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

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I will begin my remarks and call it ten o'clock in a moment. It is difficult to know just how to begin debate on a bill now, after having read the column by Doug Small the other day in which he referred to the conventional, "I welcome this opportunity to participate in this debate". Members of Parliament will have to find a new introduction.

This particular bill is to give authority to the government to borrow $12 billion, or as an hon. member mentioned earlier this evening, "$12 billion toward a blank cheque government". What we must look at is when was this blank cheque government introduced to Canada. It was introduced in 1969 when one of the first acts of the present Prime Minister (Mr. Trudeau) was to change the rules of the House of Commons in dealing with parliamentary expenditures. The last thing he wanted was any proper scrutiny over expenditures. Ever since then we have had blank cheque government in this country.

The philosophy of the Liberal government today is that the only solution to any problem is to print more money, spend more money and borrow more money. Any members who use the phrase blank cheque government certainly know what they were talking about. Canadians are still paying for this rule change introduced by the present Prime Minister. He could not wait to get into this House to change the rules so that we would not know where the tax dollars were being spent. As an hon. member mentioned earlier, the Auditor General cannot find out where half the money is going. This government has something like a $52 billion budget, and the Auditor General can only account for half of that. I want to call it ten o'clock, Mr. Speaker, but I will be back tomorrow afternoon.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, may I ask the President of the Privy Council (Mr. Pinard) if we will be continuing with this delightful exercise tomorrow?

[*Translation*]

Mr. Pinard: Mr. Speaker, tomorrow we shall proceed with Bills C-28, C-19 and C-3, in that order.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

• (2200)

[*English*]

EXTERNAL AFFAIRS—SOVIET UNION—REPORTED REINSTATEMENT OF CULTURAL SCIENTIFIC AND EDUCATIONAL EXCHANGES.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, Mr. John Anderson, the alternate candidate I guess

we could call him, in the United States for the office of the presidency of the United States has said:

> We enjoy the comfort of opinion without the discomfort of thought.

If any caption could characterize the comments made by the Secretary of State for External Affairs (Mr. MacGuigan) on television last Sunday it is the statement of Mr. John Anderson which really captures what the minister said, "—the comfort of opinion without the discomfort of thought". Talk about comfort of opinion! I should like to read to you, Mr. Speaker, one of the things the Secretary of State for External Affairs said, as follows:

> I see no indication at all of any Soviet activity in Europe that would be aggressively directed against a country that they don't now control directly or indirectly.

That is the minister's opinion. For the facts, I should like to quote Mr. Alexander Haig who, I imagine, is an authority on the subject. He said:

> Whereas the west has exercised considerable restraint, . . . we find the Soviet Union has maintained defence as its first and overriding priority. Former western superiority . . . has been replaced by a roughly 3:1 superiority by the Soviets.

If, as the Secretary of State for External Affairs says, there is no aggressive intention, pray tell why have the Soviets increased their superiority to a ratio of three to one? Another authority, Mr. Kissinger said this:

> The dominant fact of the current military situation is that the NATO countries are falling behind in every significant military category with the possible exception of naval forces . . . Never in history has it happened that a nation achieved superiority in all significant weapons' categories without seeking to translate it at some point into foreign policy benefit.

That, sir, is the situation in Europe, a situation in which the Secretary of State for External Affairs says there are no aggressive intentions by the Soviet Union. It is the comfort of opinion without the discomfort of thought.

The Prime Minister (Mr. Trudeau) allows that maybe we should have been a little bit guilty of foresight rather than hindsight, when questioned in the House about this yesterday.

Again, speaking of the Soviet Union the Secretary of State for External Affairs said:

> They don't go against the heart of western civilization and western Europe, for instance, except maybe through the communist parties—

So the Soviets are nice guys! "They don't go against the heart of western civilization and western Europe." Then pray tell, why did we, 18 months ago, expel a dozen or so Soviet so-called diplomats if they all had nice intentions in Canada? Why is it that we are concerned and our NATO allies in Europe are concerned about NATO superiority, or at least NATO balances if, as the Secretary of State for External Affairs maintains, the Soviets, "don't go against the heart of western civilization and western Europe."

He is living in Alice in Wonderland. He went on to say that the Soviets will not attempt an adventure in western Europe. He added:

> I think that's completely out of the question.

That is the comfort of opinion without the discomfort of thought. As I said, the Prime Minister allowed that maybe we should have been guilty of a little bit of foresight rather than hindsight. In effect, on Sunday on television the Secretary of State for External Affairs asked where the United States was two years ago, or three years ago, when the Soviets moved into Kabul. Where were they? Well, I do not know exactly where the Soviets were or the Americans were, but I do know where Canada was. Two years ago when the Russians were already in Kabul establishing a puppet regime, Canada was installing a printing press in Afghanistan so that the Afghanistan people could print their material. I am sure it is all nice Alice in Wonderland stuff they were printing. Canada went right on selling them their printing press.

● (2205)

Two years ago, when the puppet regime was already in office, Canadians were designing the Kabul water and sewage system in Afghanistan. Two years ago, when the Secretary of State for External Affairs was wondering where the Americans were, the Canadians were studying the Kabul River basin for storage, power and irrigation purposes. This was being done by a Montreal firm. Canadians were doing a hydroelectric survey, done I might add, by B.C. Hydro.

Two years ago the Secretary of State for External Affairs was wondering where the Americans were. The Canadians were supporting the establishment of a girl's vocational training school, done by the Red River College in Manitoba.

If the minister wants to question America's leadership, I ask him where Canada was during those days. I would like to ask, as I did in the House yesterday, what was the purpose for the unprovoked gratuitous comment about the lack of American leadership during the time of a pre-election campaign in the United States? What was the purpose of those gratuitous, unsolicited comments by the man who is supposed to be the master of diplomacy?

If in the last year when we had two general election campaigns in Canada, plus a heavy referendum campaign, the Americans had offered that kind of comment regarding the internal and domestic politics of our country, we would have been infuriated, and rightly so. Yet this man at the end of a TV show, when he could have said, "the time is up, we don't have time, it would not be right to comment on it," goes on to expand on what he thinks is the nature of American leadership.

In the last minute, I just want to raise one more point. Is the Prime Minister (Mr. Trudeau) seriously—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, the hon. member has just made some very valid points in a very tough manner, but I suggest that many of the points he made were his own personal observations. He asked where was Canada during these times of crisis. Canada was where it normally is, helping the poor and underprivileged countries of this world which include Afghanistan. I might suggest to the hon. member that not far away from Afghanis-

tan is another country that is very poor. It is considered one of the five poorest countries in the world, namely, Nepal. There is a great deal of work being done by our NGOs, other groups and by bilateral agreements as well to assist countries of that nature. It is a poor country, the likes of Afghanistan. Actually the exchange we are concerned about this evening is really between the Prime Minister (Mr. Trudeau) and the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) which occurred on June 2, 1980. The subject of the matter was the educational, cultural and scientific exchanges with the Soviet Union.

I have now read the article in *The Toronto Star* by Professor Jean Edward Smith to which the hon. member for Surrey-White Rock-North Delta referred. Frankly, I am surprised at the suggestion of a dramatic "reversal of policy" to which the author alludes. Professor Smith refers to the "reinstitution of cultural, educational and scientific exchanges with the Soviet Union as of next spring", which is to say, in 1981.

As the hon. member will recall, the measures taken in February by the previous government in response to the Soviet intervention in Afghanistan included a one-year suspension of government sponsored cultural, educational and scientific exchanges with the Soviet Union. In March, the present government confirmed this policy and decided that the measures taken would not be diminished, nor would they be extended, except in concert with other allied governments, which would include the United States. This policy remains in effect and no dramatic reversal is currently envisaged. Therefore, one can only assume that Professor Smith has taken the reference to a one-year moratorium literally and that once one year had passed, these programs will be automatically reinstated. The exchanges may or may not be reinstated next year. Any conclusion at this stage would appear to be somewhat premature. Before any course of action is taken the situation in Afghanistan will have to be carefully assessed, the impact of the measures taken in response to the Soviet invasion will have to be carefully weighed and we shall have to consult with our allies. Only then will we be in a position to consider whether our current policy should be changed.

● (2210)

METRICATION—ECONOMIC DEVELOPMENT PROGRAMS TO IMPROVE EMPLOYMENT IN AUTOMOBILE INDUSTRY

Mr. Otto Jelinek (Halton): Mr. Speaker, my subject this evening stems not only from questions I put in this House on May 1 to the Minister of Industry, Trade and Commerce (Mr. Gray) but from numerous other questions, recommendations and suggestions which I and my colleagues have been making ever since the automobile industry in Canada was hit with massive lay-offs.

At the outset, I would like to say I am well aware that the primary reason for the slump in the automobile industry in Canada is based on the drastic reduction in car sales in the United States and the over-all decline in the American economy as a whole. However, there is no excuse, in my view, for the Minister of Industry, Trade and Commerce and the government to stand idly by while tens of thousands of Canadians are hit with massive lay-offs within one industry, affecting hundreds of thousands in the secondary manufacturing industry which serves the auto industry while still more lay-offs are being contemplated. Perhaps the minister has been preoccupied with the $200 million package to Chrysler Canada which, as you know, Mr. Speaker, happens to be located in his own riding in Windsor. Perhaps the minister does not realize that the auto industry is suffering in other parts of Canada as well, in places such as Oakville, Oshawa, Brampton, St. Catharines, St. Thomas, to name just a few. No action has been taken to alleviate, at least, the massive problems in these areas and across the country. Even the Chrysler proposal seems to have been a sham since less than 48 hours after receiving the $200 million loan guarantee Chrysler Canada laid off a further 1,400 people without even a peep from this government. When I asked the minister what specific action he would be taking in this matter he simply suggested that he had had discussions with representatives of the auto industry and other high-level officials, that's all. Well, Mr. Speaker, so have I had discussions and consultations and so have others. But we are passed the point of consulting, we are passed the point of mere studying. It is action that we want; action that is needed. There are ways and means at least to assist the industry and curb unemployment within this sector. I will give a few examples. Why has the minister not taken up the suggestion to remove the 9 per cent federal excise tax from cars assembled or manufactured in Canada? This alone would reduce the cost of vehicles built in Canada and thereby stimulate sales. The loss of revenue from the tax to the government would be offset by the saving in unemployment insurance benefits which, as of today, have already reached a staggering $5 million per week within the auto industry alone, not to mention the secondary manufacturing sector which supplies the auto industry. Why has the minister not taken up the suggestion of eliminating the $100 excise tax on vehicles with air conditioners? This would provide another much needed stimulus. Why has the minister not adopted the recommendation to impose quotas on offshore imports of automobiles? It would not be a precedent-setting act, Mr. Speaker. The same government imposed textile quotas when the Canadian textile industry was in trouble, and this side of the House supported it.

● (2215)

It imposed shoe quotas when the Canadian shoe industry was in trouble, and we supported it. Does it mean that the Canadian auto worker is a second-class citizen or that the auto industry does not exist in Canada? I do not think so, but it is questionable as to what the minister thinks because all we have heard from him in this regard so far is cheap talk and no action.

What about the Soviet Lada cars which were being promoted by the government in this country when the Soviet Union was invading Afghanistan? Our auto workers are being laid off in this country, and this government is promoting the Soviet-built Lada cars in this country. Why has the minister not taken the suggestion, for example, to promote—or legis-

late, if necessary—the assembling of offshore imports here in Canada? That would create jobs. That would stimulate the industry. We do not have to assemble only American-made cars. We could assemble Japanese and German cars. There are many options, and that is what really bothers me.

It is not as if the government and the minister did not have any options. There are options. I have just mentioned a few. However, if the minister is unable to deal with the problems affecting the auto industry in Canada, which seems to be the case, and if the minister is unable to improve the provisions within the auto pact for the benefit of the auto industry in Canada, which seems to be the case—in short, if the minister is unable to take any action in this regard, which seems to be the case—then I urge him at least to bring this whole matter before the Standing Committee on Finance, Trade and Economic Affairs forthwith for an immediate review of the state of the automobile industry in Canada, as well as an over-all review of the obsolete and inadequate auto pact in order that all concerned—namely, management, labour, government and opposition parties—could come to a positive, fair and equitable solution in a much needed public debate.

The minister and the government have options. For God's sake, let us take them. Let us have some action.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, certainly we have long been concerned about the economy of our neighbour to the south which is so dependent upon the auto industry, but I would like to point out to the hon. member for Halton (Mr. Jelinek) that if he examined the potential of the contents of the Speech from the Throne, I am sure he would realize the potential there and the foresight of our government when it mentioned the creation of a Canadian agricultural export corporation. It will create jobs based on a renewable resource that will offer spinoff effects to all Canadians and will assist in the face of the lay-offs which were announced last week in the Brantford area.

Many of the problems facing the Canadian automotive industy are the direct result of a downturn in the U.S. market. We cannot take actions to stimulate sales in the United States.

There are, in addition, further problems facing the Canadian automotive industry which result from changing consumer demand and the need to conserve energy. These problems are being faced up to by the industry, but the solutions are necessarily of a longer term nature.

As a result of vehicle down-sizing and weight reduction the industry is increasingly turning to new materials which require new technologies. It is in this area that opportunities appear to be for Canada.

We have told the House recently that we have been holding meetings with vehicle manufacturers and parts manufacturers. These meetings have necessarily covered a broad range of topics, but clearly we are interested in identifying areas of opportunity for Canada.

Our officials are working with the auto companies to evaluate sourcing patterns and to help ensure that Canadian capability is used or developed to meet the requirement for auto parts manufacturers to retool and expand in order to capture in parts which are currently produced in Canada.

The full range of research and development grants and loan guarantees available under the Enterprise Development Program is also available to that industry. Additionally, we are working to develop a special program aimed at assisting auto parts manufacturers to retool and expand in order to capture significant incremental business.

Auto parts manufacturers are also participating in fairs and missions at selling more parts in Japan, the United States, Europe and other countries. These have resulted in substantial sales and, in fact, many companies which have developed offshore markets are operating at capacity. One of our objectives is to increase further both the sourcing and production activity in Canada by offshore producers.

● (2220)

CANADIAN WHEAT BOARD—LOSSES TO FARMERS DUE TO U.S. EMBARGO ON GRAIN TO U.S.S.R.—GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): On April 15 I asked a number of questions. I have asked them several times since. Those questions were to find out what the situation was so far as the embargo was concerned, whether there was any chance that the government would reimburse the farmers for the loss of income due to the embargo. The answer to those questions from the Minister of Transport (Mr. Pepin) was:

> My information and knowledge at this time is that western farmers are not being affected by the policy that Canada has had with respect to the export of grains to the Soviet Union.

The Prime Minister (Mr. Trudeau), in answer to my question, said that they did have a policy of helping out farmers affected by the grain embargo.

Here tonight I think it is necessary that we try to reach the truth as to exactly where we stand and what the effect of the embargo has been. There are a couple of ways to get to this truth. What has happened to grain prices since the embargo? We find that the evidence is different from December 28 until April 15—there have been some changes since then. Since the question was asked on the 15, the price of wheat fell from $233 a tonne to $188 a tonne, or from $6.34 a bushel to $5.11 a bushel. This is a direct, demonstrable loss of $1.23 a bushel caused by the overhang of 17 million tonnes of U.S. wheat which would have gone to the Soviet Union but instead went to the general market with which we were competing.

The second possibility of finding out exactly where we stand as far as our losses are concerned is to compare Canadian prices with those of countries that did sell to the Soviet Union, outside the north American block, not following the U.S. embargo. Here the best example is Argentina which has kept on selling grain to the Soviet Union. Argentine wheat prices have averaged, since March 7, at $204 a tonne, or $5.67 a bushel. Canadian wheat prices have averaged, since March 7, at $183 a tonne or $4.98 a bushel. This margin has narrowed to 70 cents a bushel, principally because Argentina has now sold all its export wheat, and the other countries hit by the

embargo, including Canada, the U.S. and Australia, are coming back and strengthening prices.

We are selling to other countries which in turn are selling to Russia. So the answer to those two questions demonstrates the truth of the situation, namely, that we have been hurt by the embargo.

What can we really expect if suddenly there is no market for 17 million tonnes of grain? It is bound to depress the market. What about next year? Douglas Mutch, a commentator on agriculture said:

If the embargo remains in effect, it also means that Soviet grain purchases from the United States next crop year will be limited to eight million tonnes. As current market supplies are more than adequate to meet current needs, this curtailment also will result in a build-up of U.S. grain stockpiles.

We will have twice as much grain on the market by the end of next year, unless we have a crop failure.

What else has been affected by the embargo? I can list a number of prices that have been depressed by the embargo. First of all, Argentina has done very well, but prices of other products have been depressed. Soya beans are down $25 a tonne; rapeseed is down about $1 a bushel; corn is down, and livestock has been affected indirectly. Yet the minister had the audacity to say that Canadian farmers are not being affected by the policy that Canada has had with respect to the export of grain to the Soviet Union, or at least the embargo against the Soviet Union.

● (2225)

Argentina has done very well in this situation. According to a story which appeared in the *Christian Science Monitor*, Argentina has doubled its sales of wheat and corn to the Soviets. It is the biggest single supplier to the Soviets. It has sold more wheat to the Soviets than it has ever done before. What happened in Argentina is what could have happened in Canada if we had made the same kind of effort. The Canadian Wheat Board was established to make these kinds of economic attempts to help Canadian farmers and the Canadian economy. Instead we allowed that opportunity to go to Argentina. We have demonstrated that it has affected all Canadian producers and that all Canadian producers are entitled to compensation. If there is to be an equality of sacrifice with the Americans in this foreign policy venture, having regard to wheat, then now is the time for the government to try to make some compensation to the farmers who have been affected by the embargo.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member suggests that the decline in grain prices since January 4 is a direct consequence of the embargo restrictions on grain trade with the U.S.S.R. In some of his other questions he also recommended that the 1980-81 initial payment for wheat be raised to $4.25 per bushel.

In reply I want to explain that the initial payment for producer deliveries to the Canadian Wheat Board is set at a level which reflects anticipated market returns for the crop year. The government will reconsider raising the initial payment level prior to the commencement of the crop year on August 1, should the market outlook at that time warrant such an increase.

This government is following the approach of the previous government concerning grain sales to the U.S.S.R., including a willingness to consider compensating producers for losses that may be experienced as a direct result of grain trade restrictions. I would remind the hon. member that there are many factors in addition to the restrictions which are influencing grain prices; factors such as the increased estimate by the United States of their own 1979 corn crop, positive crop prospects for 1980 in the United States, Europe and elsewhere, general economic factors such as the interest rate level and a reduced rate of growth in the world economy as a whole.

The grain trade restrictions do not seem to be having a negative effect generally on the volume of world trade in grain. In fact world trade in both wheat and coarse grains for 1979-80 are projected in both cases to be over 12 per cent greater than for the 1978-79 crop year. Most recent projections indicate that the total reduction of U.S.S.R. imports of grain in this crop year will likely be less than five million tonnes. The United States government has announced steps to counteract the impact of the grain trade restrictions by removing U.S. grain from the market. Canadian grain exports generally in the current crop year are approaching record volumes. Canadian exports to the U.S.S.R. are being maintained at normal and traditional levels.

In summary, it is our position that it would be premature to attempt at this time to answer the question of market impact and determine whether producer compensation will be necessary. I can assure the hon. member that the government is closely monitoring the effect of the restrictions and other factors on the market. In the event that compensation is warranted, an appropriate program will be developed and brought forward.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, June 4, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

ST. JOHN'S—INSTALLATION OF INSTRUMENT LANDING SYSTEM—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to move, under Standing Order 43, a motion which is of pressing and urgent necessity.

As the Ministry of Transport is now in the process of dismantling the radar approach system at St. John's airport, which would constitute in certain circumstances a hazard to the travelling public, and indeed would lower the operational capacity of the airport, with the unanimous consent of the House I would move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House directs the Minister of Transport to issue the necessary directive in order to ensure that the precision approach radar system at St. John's airport continues to operate until the instrument landing system has been installed and is operative.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

EXTENSION OF LETTER CARRIER SERVICE—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I wish to move, under Standing Order 43, a motion on a matter of urgent and pressing necessity. It arises from the renewed freeze of the Postmaster General (Mr. Ouellet) on the extension of letter carrier service to new suburbs in Canada's growing cities.

In view of the loss of jobs resulting from the freeze, with the consequent increase in unemployment insurance payments, and the Postmaster General's announcement that he is planning a substantial increase in postal rates, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the Postmaster General end forthwith the freeze on letter carrier service, thereby providing job opportunities at a time of continuing high unemployment, and the traditional door to door delivery service which will ensure the quality of service necessary for the survival of Canada Post.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

TRAINING PROGRAMS FOR NATIVE PEOPLE—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that the native training opportunities announced by the Minister of Employment and Immigration (Mr. Axworthy) on Monday will only help those who wish to work in large resource development projects or in large urban centres, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this training program be expanded to provide substantial opportunities for native people to work in all sectors of the economy, and to include training which will help native people develop their own opportunities within their own communities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

ADMIRAL FALLS—CRITICISM OF EXPENSIVE BRUSSELS RESIDENCE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise concerning Admiral Robert Falls, former chief of the armed forces general staff and recently appointed Canadian NATO representative in Brussels, and the fact, as outlined in a National Defence telex which I have in my possession, that the government selected 30 potential Brussels residences for him, retained—presumably by option—15 for his consideration, subsequently on his instructions selected 8 Avenue de Fuji,

which he now occupies at a rental cost to the Canadian taxpayer of $8,200 per month, or almost $100,000 per year on a reported nine-year lease, with possible escalation clauses. I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House strongly condemns the government, especially at a time when Canadians suffer from high mortgages and high rentals, for permitting Admiral Falls to indulge lavishly in apparent lust for luxurious living beyond the bounds of common sense, and demands a government statement on this opulent, elaborate self-indulgence which makes a literal lie of the government's pious, pompous urging of restraint.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

CONSERVATION OF CHINOOK SALMON—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, under the provisions of Standing Order 43 I rise to put a motion of urgent and pressing importance before this House.

In view of the recent decision by the Department of Fisheries and Oceans to close the Fraser River to salmon fishing for an indefinite period, a measure designed to conserve chinook salmon but which will wreak immense economic hardship upon the gillnet fishermen who operate in the Fraser River, and since no equivalent sanctions have been applied against other Canadian and United States fishermen who intercept these same chinook stocks outside the Fraser River, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the Minister of Fisheries and Oceans be directed to take steps immediately so that the burden of responsibility for the conservation of chinook salmon will be shared equally among all west coast fishermen and, furthermore, that special sanctions be imposed against U.S. fishermen so that they do not benefit inadvertently from Canadian attempts to conserve chinook salmon.

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

EMPLOYMENT

DISBURSEMENT OF JOB-CREATION FUNDS—MOTION UNDER S.O. 43

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter or urgent and pressing necessity.

Whereas the former Conservative government abandoned the approach of direct job-creation spending, I move, seconded by the hon. member for Niagara Falls (Mr. MacBain):

That this House congratulate the Minister of Employment and Immigration for redirecting job-creation funds to give more help, particularly to women, youth, the handicapped, native people, refugees—

Some hon. Members: Oh, come on.

Some hon. Members: Hear, hear!

Mr. Lonsdale: My motion continues:

—the poorly educated and disadvantaged in Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Pierre said no.

* * *

SPORTS

REJECTION OF LOTTERIES AS FUND-RAISING VEHICLE—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of importance to all Canadians.

Last week the minister responsible for fitness and amateur sport, once again—like other Liberal cabinet ministers—bypassed Parliament by holding an in-camera meeting with the executive directors of the various sports associations of Canada at which he indicated his intention of renegotiating with the provinces the possibility of bringing back a federal lottery.

The minister conveniently omitted to point out that the federal government now receives $24 million a year from the provinces as a result of the previous government's positive actions in this regard. Therefore, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House instruct the minister of state for sport to remove himself and his government from the promotion of any further gambling operations under federal jurisdiction, and instead concentrate his efforts on improving and expanding recreation, fitness and sports programs by, among other things, establishing tax incentives within the industrial and private sectors in order to develop alternate and additional sources of funding for these important programs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

NATIONAL TELEVISION NEWS—IMPORTANCE TO ALL REGIONS OF CANADA—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my motion contains a very modest request which I have shown to the government House leader and to the House leader of the Progressive Conservative Party. Both of them indicated they will not oppose it. Therefore, seconded by the hon. member for Mission-Port Moody (Mr. Rose), I move:

That this House calls on the CBC, in the Across Canada segment of its nightly national television news, not always to go from the east to the west, but once in a while to go from the west to the east, or even to start from the north or from the prairies, as a gesture to the proposition that all parts of this country are equally important.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

TRADE

POLICIES WITH BENEFICIAL OUTCOME FOR OIL AND MARINE INDUSTRIES—MOTION UNDER S.O. 43

Mr. Jim Schroder (Guelph): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Last month, Canadian firms sold more than $29 million in marine and oil technology and services at the Offshore Technology Conference 80 in Houston, Texas. Those sales constitute a phenomenal success for a trade fair at which 30 Canadian firms, sponsored by the Department of Industry, Trade and Commerce, can expect sales worth close to $110 million over the next 12 months as a direct result of the conference. To this end, I move, seconded by the hon. member for Willowdale (Mr. Peterson):

That this House give unanimous support to the Minister of Industry, Trade and Commerce on his current policies which helped produce this most beneficial outcome for our oil and marine industries.

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

Some hon. Members: Agreed.

Some hon. Members: No.

NATIONAL UNITY

SUBSTITUTION OF "CANADIAN" FOR "ANGLOPHONE" AND "FRANCOPHONE"—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, under the provisions of Standing Order, 43 to present the following motion which is urgent and pressing.

Whereas the Canadian Bill of Rights refers to the Canadian nation, and whereas in Canada, in recent years, terms like "Anglophones" and "Francophones" have been coming into common usage, and whereas when an individual becomes a Canadian citizen he or she is told by the judge "Now you are a Canadian", therefore I move, seconded by the hon. member for Athabasca (Mr. Shields):

That members of this House urge the government to ban terms like "Francophones" and "Anglophones" in government usage and adopt the word "Canadian".

Some hon. Members: Hear, hear!

• (1415)

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

FIRM PROPOSAL TO PRODUCING PROVINCES ON ENERGY PRICING AGREEMENT

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In connection with an energy pricing agreement, has the Minister of Energy, Mines and Resources made a firm proposal to the producing provinces and, if so, will he indicate to the House the basic elements of such a proposal?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have had the opportunity of discussion with the ministers of the producing provinces. We have considered elements of the pricing formula. The general elements of the pricing formula are known to this House. They include a formula of the blended price for oil sold in Canada.

As to the specific elements of this proposal, they are still being considered and discussed with the provinces. When those discussions are further advanced or concluded, I would be very pleased to inform my hon. colleagues of the details of this particular proposal.

Mr. Jarvis: Madam Speaker, will the minister confirm that he proposed to the producing provinces an annual price increase of $1 per barrel on Canadian crude oil, plus an export tax on natural gas?

Mr. Lalonde: "Non, madame le Président."

Mr. Jarvis: Madam Speaker, I wonder, then, whether the minister would confirm that it is not the intention of this government to reach an agreement by the end of June but, rather, it is government policy to permit the present agreement to expire on June 30 and then act unilaterally as a federal government to set prices after that date?

Mr. Lalonde: Absolutely not, Madam Speaker.

[*Translation*]

POSSIBILITY OF OBTAINING IDENTICAL PRICE FOR GAS IN ONTARIO AND QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. The minister announced recently the construction of a pipeline in Quebec. In connection with natural gas, in view of the fact that Quebec is levying, I understand, an 8 per cent tax on natural gas, did the minister meet with his counterpart or with authorities in Quebec to discuss that matter which is, on one hand, a revenue for Quebec but could also be an additional cost for other areas?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I thank the hon. member for raising this matter which is surely an interesting point for Quebeckers, especially for those who reside between Montreal and eastern Quebec and who, as the result of our recent announcement, will finally have natural gas available. I must say that so far it has been impossible for me to meet my Quebec colleague. As the hon. member knows, in recent weeks Quebec politicians were busy dealing with other matters. We have agreed to meet on Monday or Tuesday two weeks from now, that is, on June 16 or 17. I will be pleased to acquaint my Quebec colleague with the problem raised by the hon. member for Joliette.

Mr. La Salle: Madam Speaker, I wish to direct my supplementary question to the same minister. If I understand correctly, the purpose of the negotiations with the producing provinces is to ensure uniformity of prices in some areas. Could the minister indicate whether he will recommend identical prices for Ontario and Quebec? I am not referring to the 8 per cent tax, but to the price of natural gas.

Mr. Lalonde: This is certainly a possibility we will consider. No final decision has yet been made, as the hon. member is certainly aware, for Montreal is still included in the Ontario price zone. What must now be determined is whether this price zone should be enlarged to include Quebec City and even, some day, the maritime provinces. This issue has not been settled yet but will be dealt with during the next few weeks.

Mr. La Salle: Madam Speaker, I should like the minister to give more information, for instance whether he is thinking of having identical prices in Ontario and Quebec, considering the zones that will be identified with regard to the arrangement?

Mr. Lalonde: As I said earlier, Madam Speaker, this theory is now under study and consideration. However, no decision has yet been taken in that regard.

* * *

● (1420)

[*English*]

INDUSTRY

NEGOTIATIONS TO IMPROVE AUTO INDUSTRY AND GUARANTEE JOBS FOR CANADIANS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Given that a large number—30,000 or more—of Canadian auto workers are unemployed and that, in spite of the fact that most of the cars manufactured in Canada under the auto pact are sold in the United States, we are still suffering an $11 billion deficit, and given that foreign car manufacturers are making great inroads into the U.S. market, which will undoubtedly result in cutbacks in our sales in the United States, what negotiations are presently taking place between the Canadian government and foreign car manufacturers to try to offset the difficulty that we are presently facing and to guarantee jobs for Canadian workers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my officials have been in contact with a number of manufacturers, but I want to report to the House particularly about my personal efforts to ensure that Canada gets a fair share of Japanese automotive investment in North America.

I raised this question directly with the Prime Minister of Japan and his minister of finance when they were in Canada some weeks ago. I followed this up with discussions with the Japanese ambassador, and I intend to go to Japan to meet with officials of the Japanese government and the heads of motor vehicle manufacturing companies as soon as their election is out of the way and they form a new government. This is a matter to which I intend to apply, and have been applying, the very greatest priority.

Some hon. Members: Hear, hear!

Mr. Deans: Madam Speaker, I have a supplementary question, if I may. I applaud the minister's intent.

Some hon. Members: Hear, hear!

Mr. Deans: Unfortunately, however, the United States government has already entered into negotiations and has received commitments from manufacturers in Europe and Japan for the manufacturing of vehicles in the United States. The minister is much too slow off the mark.

When can we expect to hear from the hon. minister exactly what kind of commitments have been obtained by this government to protect Canadian jobs in the auto field?

Mr. Gray: Madam Speaker, as usual the NDP is desperately trying to play catch-up in attempting to match our present efforts on behalf of Canadian workers.

Some hon. Members: Hear, hear!

Mr. Gray: I have already reported to the House on our considerable efforts to obtain our fair share in both parts and motor vehicle manufacturing in Canada. In fact, when we begin, hopefully at the end of this month, our formal consultations with the United States on the auto pact, we will be discussing with them a common framework for dealing with the matter of third country imports, particularly from Japan.

I want to assure the House that this matter continues to have my highest priority. I welcome the support of members of the NDP, even though they have been rather late in recognizing this priority matter when it comes to the interests of Canadian workers.

Some hon. Members: Hear, hear!

● (1425)

Mr. Deans: Madam Speaker, the minister reminds me of Gerald Bouey: he waits for the U.S. to do something. Is it the minister's intention to hope to latch on to the end results of the negotiations between the United States and the foreign car manufacturers, or does he intend to initiate any action on his own in an effort to protect the Canadian economy and to provide job opportunities not only for workers who are unemployed but for people right across the country?

Mr. Gray: Madam Speaker, if my hon. friend had listened as carefully as he talks loudly, he would have heard that we are taking our own, independent action to protect the interests of Canadian workers and Canadian communities.

I have already said to the House that I raised this matter directly with Prime Minister Ohira of Japan, as well as with his minister of finance. I have called in the Japanese ambassador to insist that Canadian interests be taken into account with regard to Japanese investment in the automotive industry in North America. I will be going directly to Japan to talk personally with the new government and with heads of the automotive companies. I thought I had made this all very clear. I am sorry that my hon. friend, as I said, is more interested in making loud talk than listening carefully to our constructive action to help Canadian workers.

Some hon. Members: Hear, hear!

Oral Questions

ENERGY

INVESTMENT ENERGY PROJECTS—CREATION OF JOBS—AGREEMENT WITH ALBERTA

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and it also concerns the area of jobs. The minister is aware that investment in energy projects in this country in the 1980s is projected to create approximately 350,000 jobs. That means a great deal to people in the province of Ontario as well as to people in other industrialized areas of the country.

I was hoping that the minister might be able to commit to the House today his intention to achieve an agreement with Alberta by the end of this month so that those jobs can be created.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would hope to achieve an agreement by the end of this week, but it takes two or three people to make an agreement.

Mr. Andre: You cancelled the meeting.

DISCUSSIONS BETWEEN MINISTER OF ENERGY AND MINISTER OF EMPLOYMENT ON JOB CREATION

Hon. David Crombie (Rosedale): Madam Speaker, my supplementary question is directed to the Minister of Employment and Immigration.

Since these jobs which will arise, from investment in energy, throughout the 1980s amount to 350,000 industrial jobs, has the Minister of Employment and Immigration had any discussions whatsoever with the Minister of Energy, Mines and Resources regarding these jobs, and where do they fit in with respect to the minister's own projections for job creation over the next five years?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Minister of Energy, Mines and Resources and myself have a variety of conversations about a variety of topics, including the question of how the investment of the federal government in the past, present and in the future will aid substantially in creating jobs in this country.

We are in pitch with our own priorities and our own targets. We want to use many of the major resource projects that are being planned to incorporate, enlist and recruit the labour available in this country that is not being used, particularly women and native people. That is part of the reason we established the kind of training programs which I announced on Monday.

PROJECTED PRICE INCREASES FOR CRUDE OIL

Hon. Sinclair Stevens (York-Peel): Madam Speaker my question is to the Minister of Energy, Mines and Resources. As a member who comes from a consuming province as far as energy products are concerned, I was rather startled to hear

some of the replies given by the minister to the questions of the hon. member for Perth.

My question to the minister is this. If one dollar is not the price which the minister has suggested to the producing provinces as a suitable price increase, presumably in July, for crude oil, would the minister indicate—notwithstanding his blended oil formula, and that type of thing—what, in fact, he did suggest as a price increase in July or for the next six months of this year?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I said that we are in the process of negotiation. I do not think it would be appropriate for me to negotiate on the floor of the House of Commons. Discussions are going on with the producing provinces and further discussions will take place. As soon as we have reached a conclusion of those negotiations, I will be very happy to inform my hon. colleague about their latest results.

Mr. Stevens: Madam Speaker, my supplementary question is to the Minister of Energy, Mines and Resources. Since this is the first time since mid-1977 that we are coming to the conclusion of an existing crude oil pricing agreement between Alberta and Canada, I would ask the minister: on July 1, in the absence of a further extension to the June, 1977, agreement, and considering that the minister has stated the Canadian government will take no unilateral action, is it fair for us to assume that Alberta and, presumably, the other oil producing provinces are free to raise the price of their crude oil?

● (1430)

Mr. Lalonde: Madam Speaker, I have stated repeatedly in this House that our purpose is to achieve a negotiated agreement. This is still our objective and first priority. I hope by the end of the month to be able to announce to my hon. colleague that indeed we have reached agreement.

* * *

INDUSTRY

ENERGY SELF-SUFFICIENCY—GOVERNMENT PROGRAMS TO ACHIEVE OBJECTIVE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have a question further to the one raised by the hon. member for Rosedale. It is for the Minister of Industry, Trade and Commerce.

A central theme of the Conservative party energy policy—a theme which is well accepted by the Canadian manufacturing industry, many of whom are located in central Canada—is that there is a massive economic opportunity for manufacturing companies in supplying the requirements of the energy industry in reaching Canada's energy objectives, particularly in reaching self-sufficiency in oil. Does the minister agree with this point of view? If so, is the government developing any programs whereby Canadian manufacturing companies can be encouraged to participate fully in reaching self-sufficiency in oil in this country?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, if I understand the hon. member's question correctly, he wants to know what we are doing to encourage Canadian manufacturing companies to take full advantage of the job-creating opportunities in efforts to reach energy self-sufficiency.

The answer is yes, we are working now on a number of programs designed to have that effect. We have committees working in touch with companies undertaking major energy projects to make sure that they take full account of the availability of expertise, machinery and other materials from Canadian sources. I hope a further, definite announcement will be made on this score very soon.

Mr. Wilson: Madam Speaker, the response of the minister is as vague as all the other responses we have received from him in the House. I was looking for some specific programs that will encourage companies to source their supplies from Canadian companies and not go offshore and exacerbate our balance of payments problem.

Is the minister's reticence related in any way to the recent bail-out of the Chrysler Corporation, and is the Chrysler program in any way cutting into our ability as a country to encourage Canadian manufacturing companies to take advantage of some real opportunities in the future, rather than bailing out companies of the past?

Mr. Gray: Madam Speaker, I am sure the many Conservative members who have written to me and spoken to me personally asking for support for Chrysler will be dismayed, to say the least, if not astounded by the negative response of my hon. friend at this effort to save at least 40,000 Canadian jobs. Now we know where this key spokesman for the Conservative party stands when it comes to saving 40,000 Canadian jobs.

Some hon. Members: Hear, hear!

Mr. Trudeau: Keep going, Herb.

Mr. Gray: It is on the record. I want to add, with respect to the program to assist the Chrysler Corporation, that there is no immediate loan or subsidy. There are loan guarantees that come into effect beginning in two years only if specific commitments are met. Among those commitments are requirements for greater sourcing from Canadian companies.

Not only does this program help Canadian companies and Canadian workers, but it does not impede in any way our ongoing efforts to make sure that companies undertaking major projects in Canada use Canadian companies for sources of supply, and much more than was the case or would have been the case had the Conservatives stayed in office.

ADMINISTRATION OF JUSTICE

CHARGE OF RAPE—DEFENCE OF CONSENT—AMENDMENTS TO CRIMINAL CODE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is addressed to the Minister of Justice, to whom I have given notice through his parliamentary secretary.

On May 20 last, the Supreme Court of Canada handed down its decision in the case of *Pappajohn v. The Queen,* which was an appeal from conviction on a charge of rape. In the decision the court held that if an accused person honestly believed that the woman was consenting, even if there were no grounds whatsoever for that belief—no reasonable grounds at all—the accused should be acquitted completely. Our court thus followed the Morgan decision, a bitterly criticized decision of the English House of Lords.

Is the minister prepared to reverse the effect of this ruling of the Supreme Court of Canada in the amendments which he will be introducing, hopefully, shortly to the Criminal Code and, in so doing, will he remove this very serious injustice to all women in this country?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have not yet had an opportunity to make a complete review of this issue. This is a very important decision, and following the review we are now making of the Criminal Code of Canada we shall see whether this decision should bring changes, or not, to the Criminal Code.

[*English*]

Mr. Robinson (Burnaby): Madam Speaker, a supplementary question. I am very pleased to hear that this question will be receiving priority attention in the review of the Criminal Code.

I would ask the minister, however, whether he will assure the House that, rather than waiting for an omnibus Criminal Code amendment bill, he will move quickly in this area and introduce a separate bill dealing specifically with the question of sexual offences against women, and whether in that bill he will remove the totally unacceptable spousal immunity whereby a husband cannot be prosecuted and convicted of rape against his wife?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Chrétien: Madam Speaker, a review of that problem has now been under way for several weeks in the justice department, and I hope to be able to go ahead very soon. However, because we are dealing here with very complicated problems, I feel that I am not now in a position to give a more specific answer to the hon. member.

[*English*]

ENERGY

HIGH PRICE OF FUELS—POSSIBILITY OF SUBSIDY FOR LOW INCOME FAMILIES

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. As the price of transportation and heating fuels will rise very rapidly when the $3 billion per year subsidy on imported oil is phased out and the government sets a new Canadian oil price, is it the intention of the government to greatly assist low income families meet these increased fuel costs by introducing an energy subsidy similar to the one introduced by the former government in its budget, which would pay $80 per adult and $30 per child, per year, to a family with a combined annual income of less than $21,000?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I wish to thank my hon. colleague for his interesting suggestion, but I want to point out to him that this government did not wait for an increase in the price of oil to take care of a group for which it is particularly responsible. Far from increasing the benefits by only $80 a year, as the Progressive Conservatives intended to do, my hon. colleague will surely recall that this government recently increased the guaranteed income supplement for all our senior citizens by $35 a month, which is much more than what the Tories had suggested.

[*English*]

Mr. Hees: Madam Speaker, it is very easy to see from the minister's answer how he has gained the reputation of being the elusive minister in the cabinet.

An hon. Member: The Artful Dodger.

Mr. Hees: In addition to the old age pension supplement, which was supported 100 per cent by all members of the House, would he give consideration to introducing, also, energy supplement to assist low income families meet the very high and steadily increasing fuel costs which they will have to meet in the very near future?

[*Translation*]

Mr. Lalonde: Madam Speaker, my hon. colleague is asking whether or not I shall consider his suggestion. As he knows, the government gives the greatest possible consideration to everything that comes from him.

[*English*]

NATIONAL DEFENCE

ADMIRAL FALLS—CRITICISM OF EXPENSIVE BRUSSELS RESIDENCE

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I would direct my question to the Prime Minister. It concerns the lavish arrangements made by the government for living accommodation for Admiral Falls, Canadian NATO representative in Brussels and former chief of our general staff, at a rental of $8,200 per month—not far short of $100,000 per year.

● (1440)

Is it government policy to permit rental of extravagant and sumptuous living accommodations for any such senior Canadian official stationed abroad, and how does the government justify the expenditure of almost $100,000 per year in this particularly outrageous example of ripping off the taxpayer? I hope the Prime Minister himself, rather than the parliamentary secretary, will answer this question.

Some hon. Members: Hear, hear!

An hon. Member: No, he will not.

Mr. Crosbie: Silent behind a woman.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Thank you, Madam Speaker. Thank you, Mr. Prime Minister.

Some hon. Members: Oh, oh!

Mrs. Appolloni: Belgium is as important a country as it is a delightful one. When it comes to Brussels in particular, I might point out to the hon. member that it does have the headquarters of the EEC and NATO, among other things. Therefore, it attracts a certain number of foreign dignitaries, as a result of which rents are rather high in Brussels.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Does it have a swimming pool?

An hon. Member: That will teach you Pierre.

Madam Speaker: Order, please.

Mrs. Appolloni: Therefore, it is incumbent upon Canada to provide suitable accommodation.

Some hon. Members: Oh, oh!

Mrs. Appolloni: I am sure even the hon. member, who is not noted for his generosity in this House, will realize that neither a shack nor a lean-to are suitable accommodation for a man who represents the finest forces in the world.

Some hon. Members: Hear, hear!

Mr. Cossitt: Madam Speaker, I would like to preface my supplementary. With all due respect to the parliamentary secretary, I realize that question was difficult for her to answer; it was sloughed off on her by the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Cossitt: Therefore, I would like to ask the Prime Minister this. Will he guarantee that a full investigation will be carried out by the government with regard to the Admiral Falls' situation, and that all details will be made public as soon as possible? Particularly, will the Prime Minister also guarantee to the House whether it is now, or not now, established government policy that the office of the Minister of National Defence be staffed primarily by persons approved or recommended first by Admiral Falls?

An hon. Member: Come on, Pierre.

Mrs. Appolloni: Madam Speaker, the only guarantee I can give is, if the hon. member decides to go to Brussels, I shall personally ask Admiral Falls to entertain him in a shack or in a lean-to.

Some hon. Members: Oh, oh!

* * *

STATUS OF WOMEN

ALLEGED DISCRIMINATORY HIRING PRACTICES OF CNR—CROWN CORPORATIONS AND AFFIRMATIVE ACTION PROGRAM

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the minister responsible for the status of women. Just two hours ago, three women announced at a press conference that they have filed complaints with the Canadian Human Rights Commission against CNR because of sex discrimination in hiring.

Will the minister tell the House whether he is prepared to negotiate an affirmative action agreement with CNR promoting women into skilled trades and prohibiting discriminatory exams and height requirements?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, all I can tell the hon. member is that I will be very pleased to look into the case. The fact that a complaint has been filed before the Canadian Human Rights Commission means that, very clearly, it is within the jurisdiction of that commission. The legislation sets out that the responsibility for looking at the case now rests with the Human Rights Commission, as it is proper to do. But I will certainly be glad to look at the case. We have constant communication with Mr. Fairweather, who is the head of the commission.

The affirmative action program that we are now establishing, as we have said before, will certainly come before cabinet. We are looking at questions about how it may apply to Crown corporations.

Mr. Keeper: Madam Speaker, I am glad to hear that the minister will be pleased to look into this specific case. With regard to affirmative action, let me ask a supplementary question. Considering that this charge against CNR follows on the heels of another sex discrimination case in a Crown corporation, that being the firing of two women from skilled jobs by Canadair, in Quebec, will the minister tell the House whether Crown corporations fall under the affirmative action program he referred to on Monday and, if so, when compliance with equality standards will be enforced?

Mr. Axworthy: Madam Speaker, I would like to make this plain to the hon. member. He may forget that it was the previous Liberal government that established the Canadian Human Rights Commission and put the legislation into effect which now gives these people the opportunity to take their grievances forward to the commission.

Mr. Baker (Nepean-Carleton): It was this Parliament, unanimously.

Mr. Axworthy: And that is the reason it is there.

Some hon. Members: Hear, hear!

Mr. Axworthy: That is why we had a human rights bill, and why we have a commission which allows these particular cases to be heard on a case by case basis.

On the more general question of affirmative action, we have stated in the throne speech and I have stated in this House that we are presently preparing an assessment of the affirmative action program. This will be brought before cabinet in a matter of two or three weeks to be examined, and we will be making an announcement as to how it will apply generally throughout the public service and the area of Crown corporations.

* * *

POST OFFICE

INQUIRY WHETHER SETTLEMENT REACHED WITH CUPW IN NATIONAL INTEREST

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is for the Postmaster General. I will try to put it with at least as much humility as that displayed by my colleague, the hon. member for Northumberland.

Can the minister assure this House and the Canadian public that the settlement reached with the Canadian Union of Postal Workers is in the national interest and is not the 26 per cent give-away as reportedly alleged by the hon. member for York-Peel?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to announce to the House that yesterday afternoon the Treasury Board ratified the agreement between the Post Office and the Canadian Union of Postal Workers. Madam Speaker, this wage agreement represents an increase of 8.1 per cent for the entire contract period. As for the other benefits awarded under this contract, including the wage agreement, they represent an increase of 10.4 per cent for the entire contract period.

Madam Speaker, it should be noted that this agreement is in the best interests of all Canadians. It is quite a reasonable agreement and one which we are very happy to have reached with CUPW; it augurs well for labour relations within the Post Office.

[*English*]

SETTLEMENT WITH CUPW—EFFECT ON MAIL RATES—COST TO DEPARTMENT

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, my question is almost supplementary to the one asked by the previous questioner.

Now that the contract with CUPW has been ratified by both the union and Treasury Board, will the Postmaster General inform the House how much it will add to the Post Office budget for the fiscal year and the deficit—which has been running at a half billion dollars for the past five years—and could the hon. gentleman indicate whether his plan to increase first-class mail rates possibly up to 25 cents a letter flows directly out of this rich settlement?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I think that the hon. member has somewhat lost touch with the Post Office Department in the last few years, because the deficits have varied from one year to the next and have not been consistent, as he would have us believe.

Furthermore, we must surely revise certain postal rates periodically. This is done every two years or so, and I expect we will follow this tradition and soon submit new proposals to the House of Commons which, Madam Speaker, will not come into effect immediately since we agreed several years ago with postal users to give them the required time to adjust to proposed increases.

[*English*]

Mr. Dinsdale: Madam Speaker, I think you will agree that that is a rather oblique response. Perhaps I can approach the question from a different direction.

In view of the impossible financial straitjacket in which Canada Post has placed itself, as evidenced by the renewed freeze on letter carrier service, for example, which is the most visible service of the Post Office, is this the beginning of the phase-out of traditional postal service in the face of growing competition from private couriers and the new technology of electronic mail?

● (1450)

Mr. Ouellet: I am glad the hon. member is now asking his questions, rather than following the common practice of some hon. members who do not have the courage to ask questions but, instead, use Standing Order 43 as a means of making all kinds of wrong assertions.

Some hon. Members: Hear, hear!

Some hon. Members: Oh!

Mr. Ouellet: Allow me to tell the hon. member, because he has the courage to ask questions directly, that the last time letter carrier service was extended was by a Liberal government. Under the Conservative government, nothing significant was done in relation to increasing the service of letter carriers.

I am pleased to tell the hon. member that, now we are back with a Liberal government, we shall be looking at our commitment with regard to postal services in a number of cities where letter carrier service is already in effect, and hoping to extend those services.

* * *

PUBLIC SERVICE

REHIRING OF LAID-OFF PERSONNEL

Hon. Walter Baker (Nepean-Carleton): Using the analogy of the Postmaster General, who now says we are under a Liberal government with its generosity toward public servants, I wonder whether the President of the Treasury Board would tell the House what is intended by him with respect to a host of professionals and other public servants who were laid off by his government in 1978, some of whom have been placed but many of whom have not been placed notwithstanding promises made by that government that they would be placed.

Hon. Donald J. Johnston (President of the Treasury Board): I would remind the hon. gentleman that no lay-off policy was introduced by the Liberal administration. He may be referring to the policy introduced by my predecessor, the hon. member for York-Peel, who had to introduce such a policy when he inferred that he would eliminate 60,000 jobs in the public service.

The hon. member knows very well that efforts to find other employment within the public service for people laid off because of the Liberal constraint program preceding May 22, 1979, have been exceedingly successful.

Mr. Baker (Nepean-Carleton): Surely the minister must be aware of the famous shot in the dark of the night by the Prime Minister on August 1, 1978, when lay-offs of public servants began. The Prime Minister can aim Justin's gun at me if he wants, but that is what happened to the public service. One of the things that Liberals—

Some hon. Members: Order.

Madam Speaker: Could we have the question, please?

Mr. Baker (Nepean-Carleton): Madam Speaker, the minister himself, the hon. member for Ottawa-Vanier, the hon. member for Ottawa West and I have called for the development of retraining programs for the public service.

Some hon. Members: Order.

Madam Speaker: Order. Would the hon. member please put his question.

Mr. Baker (Nepean-Carleton): I am doing my best to put my question. If you could caution hon. members over there and ask them to do their best to stay quiet, the President of the Treasury Board knows—

Some hon. Members: Question.

Mr. Baker (Nepean-Carleton): The President of the Treasury Board knows—

Some hon. Members: Question.

Mr. Baker (Nepean-Carleton): —the hon. member for Ottawa-Vanier knows, and the hon. member for Ottawa West knows—

Madam Speaker: Order. The question period is designed to receive answers to things the hon. member does not know.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Given the promise by the President of the Treasury Board and his colleagues—

Some hon. Members: Question.

Mr. Baker (Nepean-Carleton): —when is the President of the Treasury Board going to make announcements with respect to the retraining programs for public servants which were promised during the course of the election and about which he has been strangely silent since the election?

Mr. Johnston: Madam Speaker, I take exception to any suggestion that I have been silent. In fact, I discussed with the hon. gentleman the importance we attach to training and to retraining. We are, I hope, bringing forward some significant programs in this regard, and I hope to be able to make announcements in the House in the very near future. I shall be delighted to discuss further with the hon. gentleman some of his ideas which sometimes, I must say with respect, are quite good.

* * *

PARKS CANADA

CANCELLATION OF MOVE FROM CORNWALL TO PETERBOROUGH—GRIEVANCES OF EMPLOYEES

Mr. Bill Domm (Peterborough): Madam Speaker, this is not entirely in keeping with the claim of members opposite to generosity in their dealings with public servants. It was

brought to my attention a few hours ago that 35 employees of the Parks Canada regional office in Cornwall—

Some hon. Members: Question!

Mr. Domm: Madam Speaker, in the interests of the civil servants concerned, I hope hon. members opposite will listen to this. Thirty-five employees of the Parks Canada regional office in Cornwall have either asked for transfer or given notice of their intended resignation as a result of the cancellation of the Parks Canada move to Peterborough, there is also a mass grievance presently before the Civil Service Alliance as a result of that cancellation and, in addition, there are signed petitions.

I ask the Minister of the Environment to tell us what he intends to do. In the light of what is taking place, does he intend to reconsider his cancellation of the Parks Canada move to Peterborough from Cornwall?

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

Some hon. Members: Oh, oh!

An hon. Member: Patronage.

Madam Speaker: Order. I think that if the hon. member started to talk, he would get silence.

Mr. Roberts: No, Madam Speaker.

* * *

ENVIRONMENTAL AFFAIRS

TORONTO HARBOUR COMMISSION—DREDGING OF KEATING CHANNEL

Mr. Jim Fulton (Skeena): Madam Speaker, my question also is directed to the Minister of the Environment. I am sure the minister is aware that the Toronto Harbour Commission has begun dredging activities in the Keating channel with funds partially provided by the federal government. According to officials, some of the highly contaminated toxic waste may affect the Toronto water supply.

Given the serious reservations felt by both federal and provincial officials, and the doubts expressed by the minister's own officials as to whether flood control is a realistic reason for proceeding, would the minister tell us why no attempt has been made to begin EARP hearings over the past five years?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): As the hon. member has explained, we are opposed to the development and we have expressed that view very strongly. As I understand the situation, the determining factor here is with the municipality or the land use responsibility of the municipality.

As far as the EARP process is concerned, I would have to check and give the hon. member a reply. But we share the concern he has expressed and we have communicated that concern to the people responsible.

Mr. Fulton: The minister has just told us that his department is opposed to this project. Is he indicating to the House and to the people of Toronto that federal funds will be withheld from this project?

Mr. Roberts: I am not ready to make such a commitment at this point. At the present time we are examining the kind of approach we should take to the decision which has been reached.

* * *

TRANSPORT

SEAWORTHINESS OF CN FERRY "WILLIAM CARSON"

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Transport. Yesterday, the Supreme Court of Newfoundland indicated in a judgment that the Canadian National ferry *William Carson* was unseaworthy. This is the ferry which sank in 1977 and was the subject of an investigation sponsored by the Ministry of Transport which found that the vessel was seaworthy.

In view of yesterday's finding by the Supreme Court which cast serious doubt on the inspection capability of the minister's department and which, indeed, placed the minister's department in a situation of conflict of interest in this respect, I would ask the minister whether he is prepared to order an independent inquiry into the circumstances surrounding the sailing of the CN ferry *William Carson* in 1977 before she sunk off the coast of Labrador.

● (1500)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision came out only yesterday, and I think the cautious thing for me to do would be to inform myself of the decision and to read the decision before commenting on it further.

* * *

HOUSE OF COMMONS

MEMBERS ASKED TO ADVISE MINISTER ON PROGRAMS—CONSTITUTIONALITY THEREOF

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my question is addressed to the Minister of Employment and Immigration. It deals with asking members of Parliament to advise the minister on the various programs the minister has. The letter he wrote to me says:

—I am now inviting you to participate by indicating your support or non-support of all eligible proposals within these streams.

This is a very disturbing type of invitation to a member of Parliament, in view of our knowledge of what responsible

government consists of and that only ministers should be able to propose the spending of money.

I would like to ask the minister, in all seriousness, if he could relieve the uncertainty that is in my mind about the propriety and even the constitutional aspects of this type of approach. I think the correct procedure is for the minister to ask the Speaker of the House if he might consult with the Law Clerk of the House to see if this move, or this request by the minister meets the propriety which should exist on the part of a member of Parliament, and also to consider the constitutional aspects.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I take the hon. member's question in the seriousness with which it is posed. I want to assure him that what we were doing was simply putting into effect a practice which has been used by past governments in a variety of ways, which is to seek advice from whichever sources. We, as a government, have felt that the best source of advice as to local priorities in the various regions of Canada is members of Parliament.

I simply recall, for the hon. member, that we have had in the past ministerial advisory groups in each of the constituencies. Unfortunately, in the past administration the Conservative government abolished any form of consultation or advisory system involving members of Parliament. When I took over responsibility for the summer program, we attempted to reintroduce a program whereby members of Parliament would be able to provide their advice and recommendations to me. At the same time, we were soliciting the advice and recommendations of our officials, provincial bodies and other community people. Those different streams of advice came into my office and judgments were made as to the best projects.

As I indicated in my speech on Monday, under the new job-creation program we will be reintroducing the idea and concept of the ministerial advisory group. But it is neither unconstitutional nor improper. If it is, it has been improper and unconstitutional for many years. I suggest, although the hon. member is certainly far more experienced than I, that it is really the prerogative of the minister to seek advice from whichever source, and I happened to conclude that members of Parliament are the best sources of advice on our regional priorities.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, in all seriousness, I suggest to the minister that many of us in the House who take very seriously our oath of office, and so forth, would feel much happier if the minister asked Your Honour to ask the Clerk to speak to the Law Officer of the House and get a judgment from him. I would take that as a much better precedent than just the viewpoint that previous governments have done this.

Mr. Axworthy: Madam Speaker, the hon. member's years in Parliament warrant his advice being taken very seriously. I am simply saying that, by precedent alone, this practice has been followed many times in the past. To satisfy him, I would be very glad to speak to Your Honour, with whom I enjoy speaking at any opportunity, and the Law Clerk.

However, I simply assure the hon. member that there was no intention to do anything improper. This is something many governments have practised. There are all kinds of advisory groups, councils and organizations the government uses to get the best and broadest range of opinion.

* * *

PRIVILEGE

MR. MALONE—FAILURE TO CONVENE PARLIAMENTARY COMMITTEES

Madam Speaker: Order, please. On Thursday last, May 29, 1980, the hon. member for Crowfoot (Mr. Malone) raised as a question of privilege the failure of certain committees of the House to meet and attend to their usual business. The hon. member said that a number of those committees had not been organized, that others had met only to have their organizational meetings take place but that they really had not met at that time.

The hon. member for Crowfoot referred in his intervention to a number of specific problems which he thought should have been raised in the Standing Committee on Agriculture or the Standing Committee on Fisheries and Forestry to which the estimates had been referred.

As I indicated in my remarks last Thursday when listening to the question of privilege raised by the hon. member for Crowfoot, there were two main points at issue. The first was that certain committees had not met at the time the question of privilege was raised in the House. Hon. members will have noticed, of course, that since then at least four committees have been organized and several others have held meetings. For instance, yesterday alone 12 committees were having their meetings, today three more meetings have been scheduled, and there are five scheduled for tomorrow. I hope this will help solve the problem raised by the hon. member for Crowfoot. However, I must again remind the House, as I did at the time the question was raised, that the scheduling of the meetings of the committees does not come under the jurisdiction of the Chair but is the responsibility of the whip of the government as it is stated, and as it was referred to by some hon. members, in citation 579 of Beauschesne.

The second question raised in the question of privilege of the hon. member of Crowfoot dealt with the possibility, or the lack of it, of debating an urgent issue. This difficulty seems to have been resolved in part, as indeed it is possible to resolve these kinds of difficulties, as I myself have suggested in previous rulings. The difficulty raised by the hon. member for Crowfoot has been cured, at least in part, since last Friday the House debated a supply motion dealing with some of the problems referred to by the hon. member and other hon. members who have risen in the House to speak about this subject.

I have to agree with the hon. member that the reasons for allowing a question of privilege are, to use his own word, narrow. It is true that it is not easy to define what is privilege. The reasons are extremely narrow, and questions of privilege are too often used in the House to disagree with another member, or to express dissatisfaction with the manner in which a question has been answered. There are all sorts of other grievances members might have.

However, the reasons for allowing questions of privilege are indeed extremely narrow. I agree with the hon. member on that point. I can understand the hon. member's frustration over the circumstances in which he raised his question of privilege because the problem was a serious one, and he did want to debate it, but he and other hon. members did have a chance to debate it.

As I say, I agree that the reasons for allowing questions of privilege are narrow. As a matter of fact, I remind the House that the reasons are extremely narrow. In this case, as in many other cases in which questions of privilege have been raised, I must state that I cannot find a prima facie case of privilege in the question raised by the hon. member for Crowfoot.

MR. DOMM—PROCEDURE DURING QUESTION PERIOD

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a question of privilege. My question of privilege flows out of the question period today. I feel that as members of Parliament in this House we should all be treated equally. It is obvious to me, as a result of the business which flowed out of the question period, that all members in this House were offered opportunities for supplementaries. As it will be recorded in *Hansard*, Your Honour asked me to sit down and be quiet in order that the Minister of the Environment (Mr. Roberts) might answer the question. If my memory serves me correctly, the exact words Your Honour used were that, if the Minister of the Environment would answer the question, the House might remain more quiet. Your Honour's words were something to that effect. So I sat down. The minister answered "no" and sat down. I was immediately on my feet, noticed by everyone on this side of the House, in an effort to pose my supplementary question.

I suggest that this be referred to the Standing Committee on Privileges and Elections to find out if all hon. members are entitled to supplementaries. If they are not, I would respectfully request that you supply to this House some reason why we are not allowed a supplementary.

● (1510)

Madam Speaker: It is true that I did not allow the hon. member for Peterborough (Mr. Domm) a supplementary question today. The reason for that is that that precise question had been asked several times of the minister, and answers to it had been given. I cannot make any judgment on the quality of the answer; I can only note that the question was asked several times. All hon. members are equal, but the decision on whether or not to allow a supplementary question is left to the discretion of the Chair.

Today the question period was very busy. Members on this side of the House wishing to be recognized were extremely numerous. Some hon. members had wished to be recognized for several days, and I was feeling just as frustrated as hon. members might have been that I was not able to recognize them. Therefore, since the question from the hon. member had been asked several times in the House, while many other members were asking to be recognized, I decided to give the chance to another hon. member to ask a question. That is not a question of privilege. Again, the supplementary question is at the discretion of the Chair, and if the hon. member will look up in *Hansard* he will know that he is not the only one who does not always get his supplementary question. In most cases, on the other side of the House, supplementary questions are never allowed; and even on this side of the House, supplementary questions are not always allowed.

Some hon. Members: Hear, hear!

[*Translation*]

MR. OLIVIER—USE OF BOTH OFFICIAL LANGUAGES WITHIN PARLIAMENT BUILDINGS

Mr. Jacques Olivier (Longueuil): Madam Speaker, I rise on a question of privilege. I have been a member of Parliament for eight years and as we are aware, this House has made it quite clear that each member could use his mother tongue, or that any person inside the Parliament buildings could also be answered in his or her tongue.

Madam Speaker, I have to inform you that twice last evening, and again this morning, certain persons could not be served in French nor obtain answers in French in the House of Commons, despite all your efforts, Madam Speaker, to change this.

I feel it is most important, at this point in time, that every member in this House realize, whether he speaks French or English, that he must be able to obtain service and answers either in French or in English within the House of Commons. The incident happened outside of this place, inside the Centre Block, and also in the Confederation Building and in the parliamentary restaurant.

Madam Speaker, I would appreciate your diligent attention to this problem to help those who want to be understood, and they understand once and for all that this is everyone's Parliament rather than the Parliament of one culture in Canada.

Madam Speaker: I am taking good note of the remarks made by the hon. member, and I must tell him that very precise and constant instructions are given that there be at all times, at both main entrances to the House of Commons at least, persons capable at any time of answering visitors in this country's both official languages. I shall inquire once more, and if today nobody in a position to communicate in French

with visitors was posted at the main entrance to the House of Commons, I will take immediate steps to remedy a situation that I find unacceptable just as much as the hon. member does.

[*English*]

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I agree with the tenor of the remarks made by the hon. member, but I think the error that he has made is in casting aspersions on everybody in particular who works in all the buildings which he named. He did not say whether he meant the protective staff, the Mounted Police, or who it was. In other words, he is putting under a cloud all the public servants in this building who try to render bilingual services in both official languages.

I think that if a member is going to raise a matter of this kind he should be prepared to produce evidence, say what he is talking about, when it happened, give the names of the people who were unable to speak French or English, as the case may be, rather than come in here and cast aspersions on all the many good people who work in the protective service and the other services in this building.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the hon. member has completely misunderstood the point of order, the question of privilege I should say, raised by my knowledgeable colleague for Longueuil. My colleague for Longueuil never had any intention of criticizing the good services given by civil servants or the staff of the House of Commons who do their best to answer the general public and more particularly hon. members in both languages. The hon. member for Longueuil had no such intention, on the contrary.

What he said with much pertinence is that it happened in some cases and he was careful not to give any names or specific examples today because he does not indulge in gossip like some other members in this House. He said that he was aware of two or three instances when people had not been able to get service in their language. I think that his complaint is justified and that the reaction of Madam Speaker to the comments made by the hon. member for Longueuil is also very justified and very favourable. I deplore that the hon. member should seek to brand these fully warranted remarks and objections as mere gossip. We are not here to single out civil servants who refuse to deal with people who demand to be served in the language of their choice, but to see to it that the policy of bilingualism is applied as much as possible, and that the Canadian public and hon. members are served in their own language. We are not here to write a gossip column where we can censure this or that civil servant for not doing a good job. What matters is the spirit of the remarks the hon. member for Longueuil (Mr. Olivier) has made, not an effort to show that such and such individuals have not done their duty. I am sure the Chair has understood the gist of the remarks the hon. member for Longueuil has made, and that the hon. member opposite will realize from now on that these kinds of objections are not made for him to spice his gossip sheet but to make sure that the House of Commons is recognized as a truly bilingual institution.

Madam Speaker: I should like to put an end to this discussion, if I may. The purpose is not to accuse anybody of not speaking both languages but to assign duties. Surely there are places and areas on Parliament Hill where visitors should be dealt with in either of the official languages. The whole idea is to assign duties properly. I assume full responsibility for this, and I shall personally investigate the facts which the hon. member for Longueuil (Mr. Olivier) has brought to light.

[*English*]

MR. HNATYSHYN—STATEMENT MADE BY POSTMASTER GENERAL DURING QUESTION PERIOD

Hon. Ray Hnatyshyn (Saskatoon West): I rise on a question of privilege arising out of the exchange today in the question period involving the Postmaster General (Mr. Ouellet). I am sorry that the Postmaster General is not here, but I feel that it is incumbent upon me, as a member of this House, to raise this question of privilege at the earliest opportunity because, in my estimation, in my submission, the Postmaster General has cast aspersions, not only on the members of this House, but also with respect to the operation under the Standing Order, and indeed, on the Chair, Madam Speaker.

The Postmaster General, in response to a question from the hon. member for Brandon-Souris (Mr. Dinsdale), indicated that he appreciated receiving a question, because in effect he suggested that a device had been used by members of the opposition in moving motions under Standing Order 43, that somehow this was wrong, and not a procedure in accordance with the privileges and rights of members of Parliament.

An hon. Member: They lacked courage.

Mr. Hnatyshyn: They lacked courage with respect to moving motions under this particular provision.

I take very serious exception to that suggestion in view of the fact that there is a specific provision for the moving of motions under Standing Order 43. The Postmaster General will know that there is opportunity, in the event that unanimous consent is granted to the motion, to debate the issue, and for the Postmaster General to participate, as any other member of this House, with respect to any motion that is moved.

I resist the temptation to suggest that the Postmaster General is unfair and that he is, in fact, thin-skinned, and that he is a person who very often resorts to this kind of underhanded device. But I will quote, in support of this particular statement of privilege, citation 145 in the fourth edition of Beauchesne's, in which it states very clearly that no member, including a minister of the Crown, shall stand in his place and impute

motives with respect to the activities or actions of any member of the House of Commons.

We have here a situation on a daily basis where members of the opposition have the right to move motions under Standing Order 43, and you, Madam Speaker, are the sole judge of the appropriateness of those motions. In fact you ask whether the individual motion has received unanimous consent of the House. I object to the Postmaster General casting reflection on Madam Speaker in the performance of your duties in this House. The Postmaster General ought to stand in his place, if he has the courage, if he is the man he likes to pretend he is, and if he is interested in the House, to withdraw any implication of motives by any member, including Madam Speaker.

● (1520)

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Of course Liberal members have no respect for this House; they laugh at this. But Madam Speaker has a very difficult duty to perform. The fact is that it is clearly within the rules and the citation I have indicated. The Postmaster General in his remarks, as I heard them in the House, cast aspersions with respect to people who stand in the House and move motions under Standing Order 43.

I have one final comment in relation to this question of privilege. I feel I have moved motions with respect to the responsibilities of the Postmaster General relating to the operation of the Post Office in the province of Saskatchewan. I have attempted to obtain answers from the Postmaster General. I wrote him something in the vicinity of 50 letters on behalf of constituents, people in the Post Office and people interested in the operation of the Post Office. I have not had the courtesy of a reply from the Postmaster General to any of those letters. I still have not received one. I suggest that the motion under Standing Order 43 was one step toward convincing the government to change the wrong-headed policy that it was considering. There is some merit in motions under Standing Order 43. It has been demonstrated that, in using that device, we in the opposition can bring the government to its senses, and the Postmaster General in particular.

With respect to the operation of this House, if the Postmaster General continues to cast aspersions on members moving motions under Standing Order 43, Madam Speaker should ask him, under the citation I have indicated, to stand in his place and withdraw any implication of motive with respect to the operation of that rule.

Hon. Erik Nielsen (Yukon): Madam Speaker, I will be very brief in my intervention. There is another aspect to the question of privilege raised by the hon. member for Saskatoon West (Mr. Hnatyshyn), and that is the direct statement of the minister accusing those on this side of the House who raised motions under Standing Order 43 and not putting questions to ministers, of lacking courage. Those were his words, that they lacked courage and that is why motions under Standing Order 43 were moved. Page 111 of the fifth edition of Beauchesne clearly lists the word "coward" as being unparliamentary. The accusation that a member or members lack courage is a clear implication of cowardice, and I ask the Chair to apply that logic.

If the hon. member for Saskatoon West has not already convinced the Chair that there is merit in his submission, certainly I suggest that there is merit in my submission to the Chair, that the Postmaster General (Mr. Ouellet) be asked to withdraw a reference he made in today's question period to a member or members moving motions under Standing Order 43 because they lacked the courage to put questions.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, in a brief word or two I should like to support the position taken by the hon. member for Saskatoon West (Mr. Hnatyshyn) and to urge that when the record is available Your Honour study it and see if something should not be said tomorrow about it.

The two points have been made; I simply underline them. On the one hand the Postmaster General (Mr. Ouellet), in my view, imputed motives to an extent not permitted by the rules. Also he accused certain hon. members on this side of the House of being cowards or of lacking courage. Surely that kind of language is not appropriate, and I hope Your Honour will study the matter overnight.

While Your Honour is looking at the record of today's proceedings, I wish you would also look at the answer made by the same Postmaster General to the question put to him by the hon. member for Northumberland-Miramichi (Mr. Dionne). I think Your Honour will find that nowhere in the answer given by the minister was the question itself answered. The minister simply used the question for the purpose of making a statement. If the minister wants to make a statement he can do so on statements by ministers, but he should not bootleg it in, in that way.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, obviously, it is not a question of privilege. The hon. member complains that the Postmaster General (Mr. Ouellet) replied to him that, in some cases, members opposite used that famous motion moved under Standing Order 43 for partisan purposes, but that they did not follow up with questions to the minister, thus preventing him from retorting to allegations which at times are far from the truth. So, I fail to see how an allegation made by the Postmaster General to the effect that they lack courage violates the members' privileges.

The hon. member for Yukon (Mr. Nielsen) said that to lack courage in English is synonymous with "coward", but I think

that our rules forbid unparliamentary language, and if the Postmaster General had called the member a swine, I realize the latter would have been justified in raising an objection and you would have been right in asking the minister to withdraw, since it is an unparliamentary term. But I do not think there is anything unparliamentary in saying that, generally speaking, hon. members who misuse the procedures lack courage. What I understand from the attitude of both the hon. member for Winnipeg North Centre and the hon. member for Yukon is that they would like to be allowed to lack courage and not be reminded they so do. Further, I think the House of Commons is not a place where hypocrisy should reign, Madam Speaker.

It is obvious that since the beginning of this session hon. members have misused Standing Order 43. Indeed, a large number of members move motions under Standing Order 43 for reasons other than those provided for. It is clearly stated that motions should be of urgent nature and that hon. members are dispensed with giving notice of their motion only when it is a matter of urgency and of pressing necessity.

But when hon. members want to congratulate certain organizations or mark political points and make allegations against government members without asking questions later on on the same subject, thereby preventing us on this side from answering back, if that is not lacking courage I fail to see how else I can describe it.

And if we, on this side of the House, are required to keep quiet, to refrain from commenting and to let members opposite misuse that procedure at times, I suggest it would be unfair to prevent the Postmaster General from taking this opportunity to complain as he did today.

So, Madam Speaker, I do not hesitate to assert that first, the language and behaviour of the Postmaster General was quite parliamentary, that he did not reflect on the privileges of any member, and I even commend him for having seized this opportunity to bring to the attention of the hon. members, especially those opposite, the fact that since the beginning of the session, they have clearly abused your patience and Standing Order 43 and that most of the time, they move motions under this Standing Order for purposes quite different from those for which it was really intended.

Madam Speaker, it is unfortunate that after two elections in one year, when we have such a heavy legislative workload, hon. members manage to take 10, 15 or 20 minutes of the time of the House to raise matters as frivolous as the one that was raised today by the former minister of energy, mines and resources, seconded by the hon. member for Yukon. I think it is a shame and I suggest all those who are at present watching us on television rightly deplore the fact that parliamentarians do not act as they should. This is the kind of frivolous question of privilege that reflects on the image of this institution, Madam Speaker. It is because of this kind of filibustering that we do not always command as much respect as we should from the Canadian people.

• (1530)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I should have thought there was nothing more prone to deteriorating the reputation of Parliament than to have the leader of the House stand up and defend the indefensible.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I would rather have had him, as the leading parliamentarian in the House, except for yourself, Madam Speaker, rise in his place and say that he would bring forcefully to the attention of the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) the matters that have been raised, rather than hiding behind legalisms by saying this is not a question of privilege.

It is either a question of privilege or a point of order; it is one or the other. I do not want to repeat all the arguments, in order to save time, but it is one or the other. It was abusive and, however you want to deal with it, the hon. member for Winnipeg North Centre (Mr. Knowles) was right. You should take a look at it overnight; you should review it not only in terms of a question of privilege, which has come to have quite a narrow interpretation in this House, but in terms of a point of order. You should review it in terms of whether it is appropriate, from the point of view of the operation of this Parliament, for the President of the Privy Council (Mr. Pinard) to cast doubts about this institution, that is, whether it is appropriate for a minister of the Crown, experienced like the Postmaster General is, to accuse other members when they use legitimate parliamentary devices of lacking courage.

Perhaps the President of the Privy Council should take his own advice and talk to the Postmaster General. In that way we might proceed in a much better way in this House.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I too wish to support the suggestion that you take these remarks under consideration. Surely the President of the Privy Council (Mr. Pinard) is wrong. This issue does not involve motions under Standing Order 43, but rather it involves the abusive remarks of the minister, or whether the remarks of the minister were abusive. Although I was concerned when I sat through the debate on the Speech from the Throne when a minister spoke about the press in Quebec, and quite frankly spoke with rather fascist tendencies toward that press, I could accept that because that is part of debate. But we do not have to sit here and accept the kind of language he was using with the Quebec press, language used toward members of Parliament who are simply doing their job when standing and raising matters in the House of Commons under the provisions of Standing Order 43. When that occurs it becomes a matter of privilege.

I say the issue is not whether motions under Standing Order 43 are properly broad or improperly broad, or about the content of those motions; the issue is whether the minister can get away with this kind of abusive remark, in effect calling members of the opposition cowards.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, my intervention will be short, and it is in support of the position taken by the government House leader.

An hon. Member: Shame, shame!

Mr. Daudlin: There is absolutely no shame in supporting that position, from my point of view. I do not share the point of view expressed by some members on the other side. I suggest that at the very least there can be nothing more wrong with the phrase that was used, "lacking in courage", than in the phrase "fascist tendencies" as used by the hon. member who spoke just most recently. How they can argue on the one hand that the one is objectionable and the other is not, is beyond my comprehension.

The hon. member for Ottawa Centre, the House leader for the Conservative party—

Some hon. Members: Oh, oh!

Mr. Daudlin: The hon. member for Nepean-Carleton (Mr. Baker) suggests that he has substantial difficulty in understanding why the House leader would stand up and argue what he calls legalese. You are here, Madam Speaker, to administer what amounts to justice in this House and, indeed, to deal with legalisms. For him to find it strange that we should be dealing with legalisms is to admit that he is unable to understand the workings of this House, and surely he has been here long enough to understand that.

The hon. member for Winnipeg North Centre (Mr. Knowles) has indicated that, in fact, he wants you to examine the record to determine whether the question posed by the hon. member for Northumberland-Miramichi (Mr. Dionne) had, indeed, been answered. His question essentially dealt with two points. You will find that the hon. member had asked whether the contract that had been signed, was in the nation's interests, and whether it was at the level of 26 per cent as alleged by the hon. member for Yukon (Mr. Nielsen). Both of those points or aspects of the question were answered in the response of the Postmaster General.

Some hon. Members: Hear, hear!

Mr. Daudlin: I think you will find that is so when you examine the record.

Finally, Madam Speaker, I think the point being raised by the Postmaster General, and what gives me cause to rise and join in this debate, is the fact that members have sat on this side of the House and have recognized, as I am sure you have, that members opposite raise all kinds of allegations in motions under Standing Order 43, and present facts that are dubious and cannot be proved. They then fail to seek the floor in this House and put a question that would force them to substantiate those allegations, or prompt an answer by a minister that would in fact prove the allegations wrong. They do this when they fail to obtain the unanimous consent of the House to change the direction of the business of the House, thereby refusing to allow the government to go forward with the work of the day. They do this when they fail to obtain consent.

I am sure this persistent use of the rule, and I hesitate to say "abuse", which admittedly does exist, in a manner such as this leads one to question whether it would not be appropriate for hon. members opposite to pose a question, having failed to obtain consent under Standing Order 43. This leads one to question whether the hon. members really are sincere or are attempting to use Standing Order 43 as a tool to accomplish some other end. I have in mind their use of Standing Order 43 and their failure to follow up those motions by seeking the floor to ask a question, even recognizing that you, Madam Speaker, cannot recognize everyone who seeks the floor during the question period.

Madam Speaker: Order, please. I believe we have two things taking place at the same time, a question of privilege and a point of order. The question of privilege relates to the matter raised by the hon. member for Saskatoon West (Mr. Hnatyshyn), and the point of order came later during the intervention by the hon. member for the Yukon (Mr. Nielsen) on the same question of privilege. I am not clear whether the point of order was raised in respect of the language used by the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) in his reply. I will have to check the record, because at the time the minister spoke I was not struck by anything that seemed to be unparliamentary. However, since several hon. members have raised questions about the language that was used, I will check the record.

I am not clear whether the word alleged to have been used was "coward", or the phrase "lack of courage" as suggested by some hon. members. Sometimes when an hon. member uses a word different from the one he might like to have used, the hon. member does so to soften the expression. Perhaps the minister followed that course in order not to use unparliamentary language. However, I want to look at the record.

I am sure the minister said of the hon. member for Brandon-Souris (Mr. Dinsdale) that he did have courage. If the implication was not well taken by some hon. members, that anybody else who did not do what the hon. member for Brandon-Souris did, did not have the courage and therefore was called a coward, I will have to look at that matter and review the exact wording in *Hansard*. I will speak to that matter another day.

● (1540)

I can deal with the question raised by the hon. member for Winnipeg North Centre (Mr. Knowles) with regard to the point that the answer was not related to the question. That is not for me to judge. A question was asked, an answer was given, and I do not have any opinion of the quality or the relevancy of an answer. This opinion is often expressed in the

House. Many members feel that the answers are not related to the questions they have asked. I think that that disposes of that point. The hon. member for Winnipeg North Centre is entitled to his opinion in this regard.

[*Translation*]

With regard to the question of privilege of the hon. member for Saskatoon West (Mr. Hnatyshyn), it seems to me it will be easier for me to rule since, in his intervention, the Postmaster General (Mr. Ouellet) expressed an opinion on the way hon. members rise under Standing Order 43. The hon. member for Saskatoon West does not share the views of the minister, but that again is an opinion. Therefore, there is nothing here for me to decide.

The hon. member for Saskatoon West also brought up the possibility that the remarks of the Postmaster General may have implied indirect criticism of the Chair. Frankly, at the time the minister spoke, I did not feel I was being alluded to. But the hon. member is entirely correct when he says that it is up to the Speaker to decide whether or not the motions presented under Standing Order 43 respect our rules, and when I ask for the unanimous consent of the House, I suppose one must conclude I consider them in order. Consequently, the Chair alone decides in the matter and I thank the hon. member for having pointed that out; but in all honesty I must say I doubt that the Chair was criticized, even indirectly. Therefore, I am sorry I cannot hear other hon. members who would like to speak to the two questions that were brought up. I gave a ruling on the first. As for the second, concerning unparliamentary language, I shall look at *Hansard* and give a ruling a little later.

[*English*]

Mr. Nielsen: Madam Speaker, very briefly, it was not my intention to raise a second question. It was merely to add another point to the original question raised by the hon. member for Saskatoon West (Mr. Hnatyshyn). The submission was that it was simply either a question of privilege or a point of order, taken together.

* * *

POINTS OF ORDER

MR. SIDDON—ATMOSPHERE IN CHAMBER WITH RESPECT TO S.O. 43 MOTIONS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would like to raise a point of order which is somewhat detached from the question of privilege which was just raised. However, I think that it does have to do with the atmosphere in the House this afternoon and the subsequent attack by government members opposite on the motives of hon. members on this side of the House with respect to placing motions under Standing Order 43.

In putting my motion under Standing Order 43, which was fourth on your list, I found the banter and the clamour in the chamber very difficult to deal with. Perhaps there are some ministers and members opposite who are under a lot of pressure these days which is making them temperamental. I believe that the background hubbub was coming from that side of the House because I believe that members on this side want to hear the motions under Standing Order 43. I think that that atmosphere of banter, or collegiality if one wishes to call it that, is really a frustrating calamity which is distracting to hon. members on this side when they are trying to put their motions.

With all due respect, Madam Speaker, I suggest that the atmosphere and the environment of the House, particularly during question period, are very important. I do not wish to see cabinet ministers provoked to the kind of exchanges which the Postmaster General (Mr. Ouellet) seemed to be guilty of this afternoon. I suggest, Madam Speaker, that you speak to the House leaders in an attempt to prevent a recurrence of the calamity which we witnessed this afternoon.

Mr. Baker (Nepean-Carleton): Hear, hear!

Madam Speaker: I think that the hon. member realizes, as I am beginning to learn, that from day to day the atmosphere in this House varies. I am trying to understand it, but I am not sure that I can understand fully the reasons which cause the House to be rowdy one day and more silent the next day. Sometimes it is merely that spring is in the air, and other times it is something else.

When members of the opposition feel that they have a point, they get very excited, and justifiably so. That makes for a lively question period. I do not like to rise like a springboard all the time to call order. I am sure that that would not be acceptable to hon. members. I watch for the moment when the House seems to be getting too noisy before I call order. I do not wish to cry wolf too often because I do not think that is a good tactic. I have been receiving the co-operation of the House. It is true that the atmosphere was a bit more rowdy this afternoon, but I do not think that hon. members were prevented from listening to the hon. member's motion under Standing Order 43.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I would like to make a comment on the point of order raised by the hon. member for Richmond-South Delta (Mr. Siddon). It has to do with the whole business of Standing Order 43s with regard to the atmosphere and the works. Your task, Madam Speaker, is a very onerous and difficult one. The reason that it appears sometimes that motions under Standing Order 43 are placed on various subjects which may not be truly of a national nature, pressing or urgent, is because of the difficulty of hon. members on both sides of the House in bringing up important matters relating to their constituencies, and the fact that it is not possible to get on in the question period as frequently as some hon. members would like.

I suggest that all members of this House look toward some method which will offer greater opportunity for members to put short questions or motions before the House on matters of

urgent concern to them, so that they may be debated. Perhaps, as an example, they could be debated during an expanded adjournment debate. I would like to emphasize, Madam Speaker, that when hon. members put motions under Standing Order 43 it is not because they wish to stand up and apply hit and run tactics toward a particular minister. Nor is it cowardice that makes hon. members put motions under Standing Order 43, rather than ask questions. It is not cowardice at all; it is desperation in an attempt to get the floor.

All hon. members should consider the problems not only of Madam Speaker but of many hon. members and their frustration in trying to bring up important and urgent topics about their constituencies.

Madam Speaker: I take note of the remarks made by the hon. member. I would only add that if the members co-operated in making their motions under Standing Order 43 briefer, we could get more in, and that also applies to the question period.

MR. TOWERS—INTERPRETATION OF STATEMENT MADE BY PRESIDENT OF THE PRIVY COUNCIL

Mr. Gordon Towers (Red Deer): Madam Speaker, I have a very brief point of order. I think that it casts a reflection on you, Madam Speaker, when the government House leader says, and I believe that I heard him correctly, that motions under Standing Order 43 take up to 20 minutes. As you know, prayers take five minutes and are usually completed by 2.05. I have noticed that you have been very punctual, Madam Speaker, in going on to oral questions, as the orders prescribe, no later than 2.15. Therefore that would leave us with about ten minutes for motions under Standing Order 43.

Perhaps the House leader would like to look at his blues, and if he did say that motions under Standing Order 43 take 20 minutes, which I believe he did, he will wish to correct the statement and not leave this reflection on you, Madam Speaker.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, just to clarify very briefly, when I referred to the phrase "20 minutes" I was not referring to the time used for motions under Standing Order 43. I was referring to the time used on the frivolous question of privilege raised by his colleague.

MR. EVANS—REPLY TO QUESTION RAISED IN DEBATE BY MR. BLENKARN

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, on Monday night the hon. member for Mississauga South (Mr. Blenkarn) asked a question. At the time I did not have the answer. I have that answer now, and if I could have the unanimous consent of the House I would read it into the record.

[*Translation*]

Madam Speaker: Order. We are reverting to the request of the hon. parliamentary secretary who asked for the unanimous consent of the House to answer a question. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: The hon. Parliamentary Secretary to the Minister of Finance has the floor.

[*English*]

Mr. Evans: Madam Speaker, on Monday night the hon. member for Mississauga South asked how much of the government borrowing was raised under the borrowing authority of $7 billion which came into effect November 1, 1979, and which terminated on March 31, 1980. The answer to that question is that $4.6 billion of the Borrowing Authority Act of 1979-80 was used. This use took the form of $1.6 billion in the form of treasury bills, and $3.2 billion through the issue of marketable bonds and finally, $.2 billion was credited to the account through the paying off of drawings on the standby credit facilities.

● (1550)

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—STATEMENTS MADE DURING PRIOR PROCEEDING

Mr. Maurice A. Dionne (Northumberland-Miramichi): I will be very brief, Madam Speaker. I want to speak on the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Vancouver-Kingsway (Mr. Waddell) on the question of privilege.

Some hon. Members: No, no.

Some hon. Members: Order.

Mr. Dionne (Northumberland-Miramichi): I did not interrupt hon. members. They should listen now.

Madam Speaker, I want to say very briefly that the Postmaster General (Mr. Ouellet) did indeed answer my question very completely. I want to raise a point of order—

[*Translation*]

Madam Speaker: Order. I have ruled on that part of the question which was raised. If the hon. member wants to speak of parliamentary language, I will hear him, but I think I have already ruled on the part he is commenting upon, so I can no longer recognize the hon. member. The hon. member for Northumberland-Miramichi.

[*English*]

PRIVILEGE

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—LANGUAGE USED BY MR. WADDELL IN REFERENCE TO POSTMASTER GENERAL

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, a question of privilege.

Mr. Baker (Nepean-Carleton): What a waste of time.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I will rise on a question of privilege concerning the remarks of the hon. member for Vancouver-Kingsway (Mr. Waddell) in reference to the Postmaster General (Mr. Ouellet) when he referred to, and I quote, "the fascist tendencies of the minister". I suggest, Madam Speaker, that that is not parliamentary language. I suggest also that the hon. member should look to his own tendencies and the tendencies of his party with regard to the referendum in Quebec before he criticizes the actions of the Postmaster General, particularly when that party had a tendency to take no tendency with regard to the integrity of the nation and the referendum in Quebec.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the hon. member from New Brunswick is bootlegging all kinds of issues into this debate that should not be bootlegged into it. He said that we did not care about the future of this country and did not express ourselves. I want to say to you, Madam Speaker, that we have expressed ourselves about the future of this country many times. We want Canada to remain as a federation. We want to have one country with all the ten provinces in that one country called Canada. I do not think it is fair that somebody should put a false statement on the record, as the hon. member for New Brunswick has.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I hope the hon. member for Northumberland-Miramichi (Mr. Dionne) will read the blues himself and perhaps see fit to withdraw that kind of remark made in the House.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I just want to clarify one matter. Let me tell you that the words I used were words that every Anglophone newspaper and editorial in this country used with respect to the remarks of the minister in that debate. They were the words of all the newspaper editorials. They said the minister showed lots of promise as a young minister with experience and so on, but they were shocked by his remarks, and the reports said that they showed fascist tendencies.

That is not what I accused him of in this debate. I said that this is something different and that the kind of tone of those remarks, while it may be a political mistake on his part I think, to have raised in that debate, he was entitled to raise it in that debate. But he is not entitled to take the same kind of line with the opposition in terms of what we are trying to do in Standing Order 43s and our questioning. That is why this is an important matter of privilege, and the minister should not be able to get away with it.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I am sorry that the hon. member for Northumberland-Miramichi (Mr. Dionne) made a hasty exit from the chamber while the member from the New Democratic Party was speaking. Maybe that denotes fright; I do not know. When he returns I think, for the benefit of the House, he ought to clarify what he meant by the words "tendency to take no tendency". That is what he said. What does it mean?

An hon. Member: He does not know.

Madam Speaker: Order, please. I will examine this new point of order in light of the comments and see whether any hon. member has used unparliamentary language, and let the House know what my conclusions are later on.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-6, an act to amend the Two-Price Wheat Act, to which the concurrence of the House is desired.

[*English*]

I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, an act to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romania, and Canada and the Republic of Indonesia, and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados, and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

First report of Standing Committee on Agriculture, in both official languages—Mr. Tessier (Mégantic-Compton-Stanstead).

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

PETITIONS

MAINTENANCE OF IMPERIAL SYSTEM OF MEASUREMENT

Madam Speaker: I have the honour to inform the House that the Deputy Clerk has laid on the Table the fifth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Red Deer (Mr. Towers) and finds that it meets the requirements of the Standing Orders as to form.

[*English*]

LOCATION OF PARKS CANADA REGIONAL OFFICE

Mr. Bill Domm (Peterborough): Madam Speaker, I should like at this time to present a petition signed by 51 employees of the Parks Canada regional office in Cornwall, Ontario, which calls for the government to continue with the transfer of the Parks Canada regional office from Cornwall to Peterborough. On behalf of the petitioners I ask for serious consideration of their request by the government. I hope that the Minister of the Environment (Mr. Roberts), on behalf of the government, today will look more seriously at these 51 signatures from the management and staff of Parks Canada in Cornwall, and move the office from Cornwall to Peterborough in the interest of economy, efficiency, and good government.

* * *

HOUSE OF COMMONS

MEMBERSHIP OF PARLIAMENTARY TASK FORCES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I consulted with my colleagues and apparently I have the unanimous consent to introduce the following motion regarding the membership of parliamentary task forces. I move:

That the Special Committees established May 23, 1980, be composed of the following members:

To act as a Parliamentary Task Force on Regulatory Reform:

Mr. Anguish	Mr. Deniger
Mr. Berger	Mr. MacLellan
Mr. Cook	Mr. Peterson—7
Mr. Crosby (Halifax West)	

To act as a Parliamentary Task Force on Alternative Energy and Oil Substitution:

Mr. Corbett	Mr. McCauley
Mr. Gurbin	Mr. Portelance
Mr. Lefebvre	Mr. Rose—7
Mr. MacBain	

To act as a Parliamentary Task Force on North-South Relations:

Mr. Breau	Mr. Ogle
Mr. Dupras	Mr. Roche
Mr. Fretz	Mr. Schroder—7
Mr. Frith	

To act as a Parliamentary Task Force on Critical Skills for the '80s:

Mr. Allmand	Mr. McDermid
Mr. Hawkes	Mr. Orlikow
Mr. Lonsdale	Mr. Tobin—7
Mr. Marceau	

To act as a Parliamentary Task Force on the Disabled and the Handicapped:

Mr. Dinsdale	Mr. Pelletier
Mr. Halliday	Mr. Smith
Mrs. Killens	Mr. Young—7
Mr. Lang	

Madam Speaker, shall I dispense from reading the list since it is rather long?

Madam Speaker: The proposal of the hon. minister—

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, there have been consultations, and it is quite in order for that procedure to go forward now.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, we also agree, on the understanding that the names will appear in *Hansard*.

[*Translation*]

Madam Speaker: The House has heard the motion moved by the hon. President of the Privy Council (Mr. Pinard). Does the House give its unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1600)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following

Order Paper Questions

questions will be answered today: Nos. 59, 130, 195, 241, 344, 368, 626, 705 and 787.

[*Text*]

MRS. OLGA FARMAKOVSKY

Question No. 59—**Mr. Cossitt:**

1. To the knowledge of the government, did a Russian, Mrs. Olga Farmakovsky, defect some time ago and, if so (a) was she an interpreter (b) what were the circumstances of the defection?

2. Was her husband a Colonel in the GRU, Russian Military Intelligence?

3. Is she now living somewhere in Canada under another name?

4. Was she at any time in contact with, in association with, or did she in any way communicate with Mr. Leslie James Bennett, formerly of the RCMP Security Services, or did he in any way make contact or communicate with her and, if so, for what reason?

Hon. Bob Kaplan (Solicitor General): 1. The Montreal *Gazette* of November 10, 1966, carried an item outlining the defection of one Olga Alexandrovna Farmakovskaya on October 16, 1966, at Beirut, Lebanon.

(a) This same article mentioned she was a secretary and interpreter in the Moscow bureau of the Toronto *Telegram*.

(b) The article further stated she defected after coming ashore with a group of Russian tourists from a liner from Odessa. Lebanese authorities refused to hand her over to the Russian Embassy saying they would abide by international law and give her freedom to go where she wanted.

2. In so far as official knowledge of the RCMP is concerned, their policy, which I endorse, is to preserve the confidentiality of all information it holds on individuals and organizations.

3 and 4. See answer to part 2.

CANADIAN ARMED FORCES—PERSONNEL

Question No. 130—**Mr. Cossitt:**

1. What is the total number of persons in the Canadian Armed Forces and how many (a) are male (b) are female (c) have (i) English (ii) French as their mother tongue?

2. Does the government intend to enlarge the number of Armed Forces personnel and (a) if so, what are the details (b) if not, for what reason?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. 79,909 as at 31 March, 1980. All figures below are in respect of regular force personnel.

(a) 74,421;

(b) 5,488;

(c) (i) 59,619;

(ii) 19,903.

Three hundred eighty-seven personnel have indicated another language as their mother tongue.

2. Yes.

(a) The increase will be to about 83,000 (regular force personnel) in accordance with the decision announced in 1977. The increase will be in annual increments, the size of which will be governed by the needs of the forces and the fiscal constraints existing each year.

CANADA DEPOSIT INSURANCE CORPORATION

Question No. 195—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canada Deposit Insurance Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Pierre Bussières (Minister of State (Finance)): The information sought by the hon. member is equally accessible to him, being reported annually in the Public Accounts of Canada. To assist him, however, this information is as follows:

1. The total revenue of the Canada Deposit Insurance Corporation was $9,298,043 in 1977 and $10,573,199 in 1978. The net income of the corporation was $4,822,445 in 1977 and $5,459,210 in 1978.

2. (a) No direct or indirect subsidies or other benefits were conferred on the corporation by the government during 1977 or 1978.

(b) No loans, advances or guarantees were extended to the corporation by the government during 1977 or 1978.

(c) The government's investment of $10 million in the capital stock of the corporation was redeemed by the corporation on August 26, 1977, by means of a payment to the government of this amount. The government also received a dividend of $491,667 from the corporation during 1977 in respect of the period January 1, 1977 to August 26, 1977.

LANGUAGE TRAINING PROGRAMS—UNEMPLOYED PERSONS

Question No. 241—**Mr. Herbert:**

Will the government consider the provision of language training programmes for unemployed persons on the same level as is available for immigrants?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Language training under the Canada Manpower Training Program is available to unemployed persons on essentially the same basis as it is to immigrants seeking employment. Such training is available to Canadian workers who have moved to other provinces and who require this training to find employment. Workers who have not relocated are expected to make use of provincial and private language training facilities.

CANADIAN FILM DEVELOPMENT CORPORATION—ANNUAL REPORT

Question No. 344—**Mr. Herbert:**

1. Did the Canadian Film Development Corporation submit its annual report for audit to the Auditor General and, if so, on what date?

2. Did the Auditor General complete his audit and pass the corporation's report to the government and, if so, on what date?

3. Has the government held up the release of this report and, if so, for what reason?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Film Development Corporation as follows:

1. The corporation's financial report was submitted to the Auditor General early in May 1979.

2. Yes. The report was given to the Secretary of State and the corporation on July 16, 1979.

3. No, report tabled on December 4, 1979.

DEPARTMENT OF FINANCE—PERSONS IN THE SX CLASSIFICATION

Question No. 368—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Finance (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SX's employed?

Hon. Pierre Bussières (Minister of State (Finance)): In so far as the Department of Finance Canada is concerned:

1.	(a)	34
	(b) (i)	3
	(ii)	1.
2.	(a)	35
	(b) (i)	3
	(ii)	1.

3. No.

INDUSTRY, TRADE AND COMMERCE—PUBLIC RELATIONS

Question No. 626—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Industry, Trade and Commerce?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

> One hundred ninety-five persons are engaged in public relations, publicity or media relations as of April 1, 1980. This is inclusive of 136 officers and 26 support engaged in the promotion of tourism with the travelling public and the media, at home and abroad.

In so far as Metric Commission Canada is concerned:

Twelve people.

NATIONAL REVENUE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 705—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of National Revenue for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Hon. William Rompkey (Minister of National Revenue):

	Taxation	Customs and Excise
1.	2	1
2.	(a) none	1
	(b) 2	none
	(c) none	none
3.	none	none
4.	$41,580	$1,980

SUPPLY AND SERVICES—DECENTRALIZATION OF GOVERNMENT PRINTING OPERATIONS

Question No. 787—**Mr. de Jong:**

1. Did the Minister of Supply and Services take action to decentralize government printing operations?

2. Will the government be altering its policy so that western printing companies have more opportunity to participate in government contracts?

3. What amount does the government spend each year on printing?

4. What dollar value of printing is done for the government in each of the provinces?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Government printing operations have been decentralized since the mid 1950s. Each supply region of the DSS across Canada has a regional printing manager who is responsible for both government printing facilities and the purchase of printing requirements from commercial suppliers for Government of Canada customers located in their respective regions.

2. Present policy provides extensive bidding opportunities for all printing companies in Canada, including those in the western provinces, to participate in government contracts offered in respect of both local and national requirements for printed matter. Also we continually monitor our procedures in order to provide better opportunities to all printing companies in Canada.

3. $138,889,000—Requisitioned through DSS during fiscal year 1979-1980.

Motions for Papers

4. National Capital Region	$57,410,000
Ontario	36,105,000
Quebec	33,521,000
Manitoba	3,894,000
British Columbia	3,758,000
Alberta	1,335,000
Nova Scotia	1,252,000
New Brunswick	706,000
Saskatchewan	585,000
Newfoundland	283,000
Prince Edward Island	40,000
	$138,889,000

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, if question No. 736 could be made an order for return, this return be tabled immediately.

Madam Speaker: It is the pleasure of the House that question No. 736 be deemed to have been made an order for return?

Some hon. Members: Agreed.

TREASURY BOARD—POSSIBILITY OF TRANSFERRING COMPUTER OPERATIONS TO THE PRIVATE SECTOR

Question No. 736—**Mr. Nystrom:**

In the period June 1, 1979, to February 25, 1980, was there, within Treasury Board, any consideration given to the possibility of transferring some or all of the government's computer operations, especially those of Statistics Canada, to the private sector and, if so, what were the details of such considerations and what was the nature of any recommendation to that end?

Return tabled.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 1 and 19?

DEPARTMENT OF VETERANS AFFAIRS—DECENTRALIZATION TO PRINCE EDWARD ISLAND

Motion No. 1—**Mr. Cossitt:**

That an order of the House do issue for copies of all correspondence, notes, minutes of meetings and other communications relating to the decentralization of the Department of Veterans Affairs to the Province of Prince Edward Island.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the Minister of Veteran Affairs would ask that the hon. member from Grenville-Carleton withdraw the motion on the grounds that the total volume of papers is such that the expense, in time and personnel, of producing them would be extremely high. As well, some of these documents involve the government of Prince Edward Island, and that government's consent would have to be obtained prior to their tabling. However, the minister does invite the hon. member to visit the department, and the minister undertakes to make available to the hon. member all possible material.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, first I would like the record to show that my riding is Leeds-Grenville, and not Grenville-Carleton as mentioned by the parliamentary secretary.

Why I must ask that this matter be transferred for debate is as follows. While I may be able to go and look at the material, the people of Canada and members of the Canadian Legion, in particular, who are highly interested in this subject, as all members know, are not going to be able to look at the material. There is nothing secret about the documents. It is the old excuse that it costs too much money, and we have heard that too often. I feel that it should be transferred for debate, and that the members of this House should have an opportunity to talk about it.

Madam Speaker: Hon. members have heard the proposition that the motion be transferred for debate. Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: Transferred for debate.

FRESHWATER FISH MARKETING CORPORATION—REVIEW AND RESTRUCTURING

Motion No. 19—**Mr. Siddon:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams or other documents exchanged between the government, its departments and agencies and the governments of Ontario, Manitoba, Saskatchewan, Alberta and the Territorial Council of the Northwest Territories, since January 1, 1978, relating to the review and restructuring of the Freshwater Fish Marketing Corporation.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the Minister of Fisheries and Oceans (Mr. LeBlanc), who, I notice, is here, would respectfully ask the hon. member to withdraw his motion as a review of the Freshwater Fish Marketing Corporation is currently under way. The minister, however, would be

willing to table the final report of the review committee of the Freshwater Fish Marketing Corporation, subject to consent of all participating provinces and territories.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I did put down this motion for the production of papers because I am well aware of the fact that the review of the Freshwater Fish Marketing Corporation is under way, and in fact there are certain meetings that should have occurred in the month of April, and certain decisions that should have been taken by this date with respect to that review. I believe, in view of problems faced by fishermen, in particular in the freshwater region, and concerns that they have with respect to the management and financing of the Freshwater Fish Marketing Corporation, that it should be a matter of public record as to certain exchanges of correspondence between the provincial governments involved and the Northwest Territories Council. Therefore I put this motion for the production of papers and I would humbly request that this matter be transferred for debate.

Mr. Baker (Nepean-Carleton): Transfer for debate.

Madam Speaker: Transferred for debate.

Mr. Collenette: Madam Speaker, I would ask that the other notices of motions for the production of papers be allowed to stand.

Some hon. Members: Stand.

Madam Speaker: Stand.

GOVERNMENT ORDERS

[*English*]

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans) moved that Bill C-28, to amend the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Madam Speaker, I am pleased to introduce for second reading Bill C-28 which is legislation to extend and simultaneously to amend the Fisheries Improvement Loans Act.

As hon. members know, this is an act whose purpose is to facilitate the availability of credit to fishermen for a variety of fisheries improvement projects. To encourage private financial institutions to make such loans to fishermen, the act authorizes the federal government to guarantee lenders against loss incurred on loans made in accordance with its provisions.

[*Translation*]

This bill sets out the balance which may remain unpaid by a borrower at any time and the maximum period for reimbursement of each loan. It also determines the loan term and the aggregate principal in loans guaranteed by all lenders during this period.

[*English*]

This act was originally administered by the Department of Finance, and was transferred to the Department of Fisheries and Oceans in June, 1978. Hon. members are no doubt aware that the existing legislation does not go beyond June 30, 1980. In the interest of the many fishermen who depend on this act for credit, it is therefore a matter of some urgency that the amendments be approved as soon as possible. This is what the amendments will do. They will extend the act for a further three-year period from July 1, 1980, to June 30, 1983.

In addition, to meet the expanding credit requirements of fishermen, the borrowing limit will be increased from the present $75,000 to $150,000, and the maximum repayment terms of each loan will be extended from ten to 15 years.

[*Translation*]

Loans made by chartered banks and other lending agencies designated in the act have increased considerably in recent years. The total amount of loans granted in the 1978-79 rose by some $28 million, or 55 per cent compared to the preceding year. This year, this amount might go up to $35 million or more.

[*English*]

Such a trend indicates a definite need to increase the over-all financial ceiling on guaranteed loans under the act. The amendments, consequently, will raise the aggregate principal amount of loan guarantees from the present $80 million to $250 million for the three-year lending period.

A number of things have been occurring to bring about the need for changes in the act. Canada's extended offshore jurisdiction to 200 miles has given new vigour to the fishing sector. Fishermen now require more efficient vessels to harvest the resources within our zone and, very important, to preserve the quality of fish until it reaches the processing plant.

[*Translation*]

I am sure that it will be recognized as well that this guaranteed loan program gives fishermen a solid credit base and that banking institutions would probably not offer them such favourable conditions. Without such a program, it is probable that a large number of small independent fishermen would attempt to get support from the large operations, which would jeopardize their status as independent fishermen.

[*English*]

In this regard I feel it important that any measure which contributes to the goal of maintaining and, hopefully, increasing the independence of Canada's fishermen should be supported.

It is not easy for fishermen to maintain an independent status, particularly when it comes to paying out thousands of dollars to purchase a new boat or modify an existing one to keep up with technological advances. The danger here is that if the fisherman is unable to raise the necessary funds on his own, the processing companies move into the picture. And if the fisherman gets locked into the position of having his boat mortgaged to a processing company, he is in such a poor position to bargain over prices for the fish he has to sell.

So the Fisheries Improvement Loans Program is one avenue the fisherman can take when looking for financing to enable him to maintain his independence. It is also increasingly popular with fishermen, particularly on the west coast, where there is no provincial loan board. It is also increasingly important in the Atlantic provinces, and I expect it will become more valuable to fishermen because of rising prices. I might add that fishermen are a good credit risk. The loss ratio of this program since its inception has been less than three-quarters of 1 per cent.

• (1610)

May I also emphasize that this approach of providing credit to fishermen is very much in accordance with current fisheries policy as outlined in the Speech from the Throne. There is a great deal of support for this program. The provinces are familiar with it and have indicated their approval for its continuing existence. I am sure hon. members recognize its importance to the fishermen of this country, and I believe they will willingly endorse Bill C-28.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak on Bill C-28. As the minister has stated in his brief remarks, it is really a housekeeping bill, but I submit that its introduction is long over due. I say this because the bill, in its explanatory notes, states that at present a guaranteed loan cannot exceed $75,000 repayable in ten years, whereas the amendments permit a loan of $150,000 repayable over a period of 15 years.

Naturally this measure will be helpful, and I can assure the minister that we on this side intend to support it even though we feel that, once again, it is too little and too late to help the fishing industry in the manner in which it should be helped. There is nothing, in my view, which demonstrates more to those of us who come from Atlantic Canada or, indeed, from other fishing areas whether in central or in western Canada, the complete lack of knowledge and the disregard the government shows in its approach to the problems of the fishing industry.

Here we have a government which has been in power for some 12 years, with the brief exception of the period in which my party was in office. There can be no question, in the light of the facts which have been revealed during the debate on Bill C-30, that the 12 years under the Liberals have been a period of spend, spend, spend, accompanied by deficits, deficits, deficits. It took $10 billion to run this country in 1978. In 1980 it cost $60 billion, and of this amount almost $15 billion will have to be borrowed in order to cover the deficit. This type of fiscal mismanagement has created horrendous inflation which has affected every phase of industry from the Atlantic to the Pacific, and the fishing industry is no exception.

Both fishermen and processors today are hurting, and hurting badly. Conditions may not yet have reached the crisis stage, but the troubles in the eastern Atlantic ground fishing industry arise less from marketing difficulties than from the general cost-price squeeze. As processing costs grow, the profit margin is narrowed.

The cost of almost everything has skyrocketed. Workmen's compensation, chlorine, salt, transport, communications, insurance, capital costs, cutting tables, cutting knives, electricity and fuel oil, along with fish prices and labour—the list is endless. Trawl doors, for example, have gone up lately by 68 per cent, and net sections by 40 per cent. In 1975 an average trawler refit cost approximately $165,000. Last year a refit of a trawler of the same size cost in excess of $400,000. Passing on these increased costs to buyers has brought a reaction which I can tell this House is not too favourable.

All companies, large and small, have to borrow money to buy fish, to build boats. The present high interest rates are compounding their burden. In some cases fish dealers, reluctant to face higher interest charges, are lowering their inventories thus forcing the processors to hold fish in storage for longer periods. Last year, for example, many Atlantic based companies found themselves forced to hold much of their summer and autumn production through the winter into the spring.

To add to those problems, the industry is facing uncertainty due to present federal policies as they apply to the inshore, the midwater, and the offshore fleet. Unfortunately, the bill before us does very little to minimize these problems.

It is true the government guarantees payment to any lender in respect of any loss sustained if the loan was made under the terms of the act during the period from July 1, 1980 to June 30, 1983, and that it is setting a ceiling of something like $250 million, I think the minister stated, which would be used to guarantee all loans. The minister nods his head in agreement. I cannot put that nod on the record but I am glad to have his assent. However, I say to you, Madam Speaker, and thus, through you, to the minister, that there is nothing in the bill which states that a bank manager is obliged to accept any or all of the applications made under this legislation. For this reason the government can have no idea how many loans the banks may have declined to make.

If the principle behind the loans is not being properly exercised by the banks, the government would not necessarily know what is going on under the provisions of this act. For example, if a bank manager in any community in my constituency of South Shore were to state that in no circumstances could he make a loan to a fisherman under the terms of this act because of the difference which exists between interest rates on the free market and interest rates under the government's guarantee, how does the government know how many loans are thus refused, or the types of loans which are refused,

or the names of the banks which may have refused to grant such loans?

Fishermen who are successful in securing loans are obviously a very good risk, and I commend the minister for his statement in that regard. According to the March 31, 1979, annual report, out of the total number of 11,493 loans made from December 12, way back in 1955, to approximately the present date, only 124 claims had to be paid. This is a good record, an outstanding record, and it indicates the soundness of providing guarantees to those engaged in this important primary industry. Nevertheless, as I stated earlier, the amounts to be guaranteed under this bill are totally inadequate. I say this because of the manner in which the cost of boats as well as gear has escalated in the past ten years.

According to figures obtained from the Fishermen's Loans Board of Nova Scotia, a 40-foot lobster boat cost $11,000 in 1970, $30,000 in 1975, and $55,000 in 1980. A 65-foot dragger cost $150,000 in 1970, $285,000 in 1975, and $675,000 in 1980. A 65-foot longliner cost $95,000 in 1970, $150,000 in 1975, and $450,000 in 1980. Finally, a 150-foot stern dragger cost $1.5 million in 1970, $2.5 million in 1975, and $8 million plus in 1980. The cost could easily, as the minister is well aware, escalate to something like $12 million depending on the number of radar, sounders, depth sounders and other new technology and new instruments which are available today. These quite quickly build up the cost of a modern fishing trawler.

● (1620)

I place these figures on the record to show the total inadequacy of the bill, and the problems it is supposed to cover. Obviously when we look at these figures we cannot help but realize that the government will not exactly be swamped by loan applications because there is too much discrepancy between the amounts available and the amount required.

I should add as well that there is too much uncertainty about the cost of the loans. Under the existing regulations the fisherman may borrow from a chartered bank or an authorized lending institution at the prime rate plus 1 per cent. This rate fluctuates as the prime interest rate fluctuates. Because of this the fisherman really does not know what his interest charges will be from year to year. A substantial interest rate hike such as we have recently experienced, for example, would put the fisherman in a real economic bind, just the same kind of bind he would be in if his anchor rope got caught in his propeller. He would be anchored. I believe the fisherman should be able to plan his finances so that he will know at the time of borrowing what interest payments he will be expected to pay, and the rate of interest. If this could be arranged, he would be in a better position to know whether or not he can meet his obligations.

It is my understanding, subject to correction, that interest on loans from the Federal Business Development Bank are made at a pegged rate for at least five years. This type of policy, if applied to this act, would not protect just the fisherman but, I submit, it would also protect the Crown. I say this because, as interest rates rise, so does the possibility of a fisherman defaulting on his loan.

I am also concerned about how the fisherman must repay his loan. According to the regulations, the terms of repayment are based on a repayment schedule which is agreed to at the time the loan is negotiated, and it is agreed between the lending institution and the borrower. Under this arrangement the lending institution could insist that the loan be amortized over a longer period of time than might be comfortable for the borrower. This type of arrangement, of course, would allow the lending institution to receive much more interest than is reasonable.

There should be some provisions, I submit, in the act which would cause the lending institution to realize that the fisherman's income is dependent upon seasonal employment, and therefore the fisherman should be able to repay more of his loans, if earnings warrant, during peak periods of the season, and much less when the weather dictates that his operations cease. This provision would allow the fisherman to reduce his debts during high liner periods, and he would not be so devastated when hit by a long period of high winds, high seas, and no fish.

When looking at the annual report for 1978-79 as printed under this act, I cannot help but note on pages 10 and 11 that the Bank of Nova Scotia has lent much more in Nova Scotia and Newfoundland than some of the other banks, especially the Royal. It would be interesting to know the reason for this difference. I have a suggestion to throw out to the minister. He is always interested in suggestions from this side of the House, and sometimes the party opposite is not averse to adopting some of our proposals.

I say to the minister that perhaps the time has arrived, in light of the present high cost of ship construction, for the government to consider establishing a Canada mortgage and shipping corporation from which loans and lines of credit could be made available for ship refits and for new ship construction. This type of corporation could help finance the construction of needed ships of all sizes in Canada, especially as we begin the renewal of our existing fleet. The rebuilding of our aging fleet, I submit, is something which cannot be put off indefinitely. New technology is required if we are to capitalize fully on the vast fisheries resources which are within our 200-mile limit, and not only within the 200-mile limit but beyond the 200-mile limit as far out as Flemish Cap, which is something like 400 miles off the coast of Nova Scotia. If we are to capitalize on the resources that are in this area, I submit that there is an immediate need for a fleet development policy to be established by this fisheries minister. By this I do not mean the continuation of the policy which was followed by the present Minister of Fisheries and Oceans (Mr. LeBlanc) in the spring of 1978.

I may be wrong in my estimate, but I understand he issued at least 14 permits to buy new or used fishing vessels offshore. This meant the loss of something like anywhere between $50 million and $80 million in work to Canadian shipbuilders and to allied industries. When the Canadian shipbuilding industry

heard this news, it naturally came as quite a shock, for the minister had indicated to the shipbuilders repeatedly that new permits and imports would be kept to a minimum pending the finalization of a Canadian fleet development policy.

The views of the Canadian shipbuilding industry were strongly supported by my leader when he was prime minister, for it was his intention to set out a policy which called for the building of fishing trawlers and freezer trawlers in Canada, rather than importing them. He stated at that time that he envisaged the expenditure of between $500 million and $800 million over a four-year period for a rebuilding of the Canadian fishing fleet in the Atlantic region. It is a matter of some regret, in our area in particular, that he was not given the time and the opportunity to carry out this worth-while policy which would have brought substantial economic benefits not just to Atlantic Canada but to Canadian industry in general.

As the minister is well aware, when a ship is built it is not unlike the building of a small town. Heat, light, and all the facilities required by a crew of 20 or more men are needed, depending on the size of the ship. Unlike any other industry, ship construction stimulates the entire economy not just in the immediate area where the ship is being built but halfway across the nation. I submit that there is very little this minister or this government can plan to undertake of a comparable nature to shipbuilding which would stimulate our entire economy, especially at this time.

When my leader was prime minister, he obviously believed firmly in rebuilding the fishing and shipbuilding industries, for in a speech to Toronto's Empire Club on April 19, 1979, he said: "It is foolish and it is wasteful for a coastal nation like Canada to let our shipbuilding capacity run down and then buy our fishing and ferry ships abroad". Since we are dealing with a bill which would provide only minimal aid to our fishing and shipbuilding industries, I commend the words of my leader when he was prime minister for consideration by the present government.

This leads me to ask what the government's present policies are as they apply today to new boat construction. Normally the fisheries department starts considering applications for assistance in April at the start of our fiscal year, and fishermen were well advised to do whatever they could to push their applications forward. It is my understanding, however, that for 1980-81 the government has in hand only something like $2 million to pay carry-over costs on boats which were started last year.

I would like to have the minister tell us just what the actual budget for the 1980-81 program is, and what the guidelines for that program are, that is, if the government has a program. The provinces would also like to have an answer, not only to this question but to many others. I say this because the ministers of fisheries in the three maritime provinces who met recently in Montreal expressed their dissatisfaction at the lack of meaningful consultation over the issue of direct so-called over-the-sides sales of fish to the Soviets. In fact they have charged that this year's allocation was decided by the present Minister of Fisheries and Oceans prior to a meeting that he held in Moncton, New Brunswick, to discuss this very matter. They also questioned whether the minister has the legal authority to allocate amounts of fish to foreign buyers without the approval of the provinces.

● (1630)

The over-the-side sales contract that was given by the minister to the Soviets was, in my opinion, not really a good deal for Canada. Basically, the minister gave certain maritime groups, as I understand the issue, permission to sell some 6,000 tonnes of mackerel and 950 tonnes of squid to foreign vessels. However, the catches, when the time came to deliver, fell far short of this level.

The buyer, which was called Joint Trawlers of Sweden, which makes deals for the east bloc vessels, paid maritime fishermen only about $500,000 for some 2,300 tonnes of fish. As part of this deal, however, Joint Trawlers could then make use of what we call guarantee fish, namely, in this case, offshore squid.

Because inshore sales fell short, Joint Trawlers, on behalf of the Soviets, received permission to catch somewhere between 3,000 and 4,000 tonnes. The minister can give us the correct figure—because he was the one who lined up the contract—of offshore squid, which is worth somewhere in the vicinity $2 million. Naturally, this guarantee clause outraged Canadian processors, who said that foreign countries could promise big inshore purchases and high inshore prices, secure in the knowledge that inshore catches would fall short, and they could then catch the profitable offshore squid.

Canadians claim that in some cases the guarantee fish caught by Joint Trawlers have been sold. Where were they sold? They were sold in western European markets, undercutting Canadian exporters, and causing a direct loss of sales for Canadians. This is the result of the present minister's fishery policy, a policy which brought about a shortfall for Canadians in the fishing industry, in excess of $2 million, plus the loss of shore based employment.

The provincial fisheries ministers agreed, and I share their view, that there should be no direct sales involving guarantees—"Involving guarantees" are the two words that are basically important to what I am saying—unless prior consultation is had with the provinces. They have suggested that all conditions, including guarantees, be offered, as well, to Canadians firms. This gives the Canadian firm that little bit of leaway that has already been given away to the Soviets.

All we are asking for is the same opportunity for Canadian firms that the minister was so keen to give to east bloc countries; basically, to the Soviets. Just give us the same consideration that you gave to the Soviets when it comes to buying these quantities of mackerel, gaspergou and inshore fish. Do not leave the Canadian industry at a disadvantage. Treat us fairly, treat us squarely, and we will then be in a position—the minister waves his hand and says this is an unjust request.

An hon. Member: That is true.

Mr. Crouse: Well, it is a feeling that is shared not only by me, not by one, not by two, but by three provincial fisheries ministers who have examined and re-examined what the minister did in an effort to determine the justice and the fairness of his policy. They have come up with a statement that they printed in the press, which indicated that they found this policy wanting to the tune of $2 million, wanting to the tune of taking away direct employment, shore employment, for the people of Atlantic Canada, some of whom I represent in this House.

Mr. Rompkey: That's the only thing they agree on.

Mr. Crouse: Well, the Minister of National Revenue (Mr. Rompkey) says, "That's the only thing they agree on". This is his view, but I am referring today to something that is of basic economic importance to Atlantic Canada. All I am asking for is a just and fair policy to put all of us upon an equal basis.

They have also asked that any participating foreign vessel be granted a permit from the respective provincial authority to fish in their own zone. I submit that possibly this is a request that would be endorsed again in agreement by all of the provincial premiers. I point out that this request was made by provincial fisheries ministers, but I feel certain that prior to meeting, prior to making these requests public, that they did so following consultation with their premiers and with the members of their own cabinet.

Mr. LeBlanc: Not Newfoundland.

Mr. Crouse: Well, the minister states, "Not Newfoundland". I have no way of judging whether consultation was held between the fisheries minister of Newfoundland and his premier—

Mr. LeBlanc: He refused to gang up on me.

Mr. Crouse: The minister says that Newfoundland has refused to gang up on him. I will let him argue his case.

I submit to you that the present minister of fisheries, with his Gallic attitude and his keen intellect, is quite capable of taking care of himself, whether it be Newfoundland or Nova Scotia or New Brunswick or even tiny Prince Edward Island. No matter which group decides to gang up on the present minister of fisheries, I feel that he is quite capable of taking care of himself.

An hon. Member: Not out west.

Mr. Crouse: My colleague, said "Not out west." All I am saying is that there is obviously considerable unrest in that part of Canada over present policies.

We felt, when the 200-mile limit was established, that we would gradually phase in Canadian operators, Canadian fishermen, whether they be inshore or midwater or offshore, and as we gradually phased in Canadians we were hoping that the government would gradually phase out the foreigners because, after all, the agreements were that we, as Canadians, would make fish available to foreigners that were surplus to our needs. Unless we adopt a policy which will permit the construction of some freezer trawlers, and the conversion of some of our existing trawlers so that we can take the offshore squid and the silver hake and the capelin and the other soft species, the round nosed grenadiers—to name a few—unless we adopt a policy that will enable us to take these quantities of soft species, I submit that they will always, and for ever and a day, be surplus to our needs, and there will always be this requirement to give, not part of them, but all of them, away to others.

Under the leadership of the right hon. Leader of the Opposition (Mr. Clark) when he was prime minister, we did start on a policy of licensing some freezer trawlers to take advantage of these soft species. The start was made, but all too little was done in the brief period. Time just simply did not permit a follow through—as I would have preferred—under that administration.

I mention these things, in closing, as some of the problems which should be examined very carefully by the minister, and I hope that when this bill is before the Standing Committee on Fisheries and Forestry we will have an opportunity to study the proposals and, I hope, some of my own suggestions, in more detail. Aside from the concerns I have expressed, I want to go on record as agreeing in principle with the bill and with its reference to the standing committee.

● (1640)

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I am also pleased to be speaking on Bill C-28 today. As a matter of fact this is the first fisheries bill which has come before the House since the period of time before the last two elections. It is an important bill, not in its effect on fishermen but in its effect on banks. It would seem that this bill is more important to the banking community which insists on having loan guarantees to fishermen, small businessmen and farmers, rather than it is to the fishermen themselves.

I am pleased the minister recognized the increasing cost of equipment and vessels in the industry, and therefore has raised the ceiling on these loan guarantees to $150,000. In speaking on the Bank Act, my party was very critical of the banks for their failure to meet the needs of primary producers and small businessmen. With this increased loan guarantee, I think we may find more acceptance on the part of banks to lend money to fishermen who find meeting costs and high interest rates more and more difficult each year.

The purpose of the bill is to encourage, through taxpayer guarantee, the banks to help fishermen purchase or repair vessels, to buy new equipment or make necessary repairs, or to construct shore facilities. The minister referred to the number of claims against the Fisheries Improvement Loans Act. It was an impressive figure. Only three-quarters of one per cent have been claimed by the banks in Canada over the 24-year history of this program.

However, I should like to look at the history a little bit and relate it to what is happening at the present time in the fishing industry. From the beginning of 1955 to March of 1979, $857,573 was paid to the banks in defaults under this loans

act. Although this may not seem to be a great cost to the Canadian treasury over 24 years, it does not show that of the $857,573 paid to the banks during that period of time, $700,000, or 81 per cent, was claimed in 1978-79. I think this is quite significant. Although I cannot confirm it, I would suggest that the claims in 1978-79 were most likely paid in British Columbia. The capitalization in that industry, and some of the failings in the salmon industry, have resulted in the Canadian government having to pay some of those loans.

It would be more appropriate if the minister would consult the Minister of Finance (Mr. MacEachen) and suggest that there should be some amendments to the Bank Act which would place some obligation on the banking community to small businessmen, farmers and fishermen, rather than the government always having to give ironclad guarantees to the banking community. It is time the banking community in this country saw some of its responsibility to small businesses and primary producers.

The Fisheries Improvement Loans Act has helped a large number of fishermen in the past, and I am sure it will continue to do so in the future. Although my party disagrees with a system which must bribe banks to aid in the development of our fishing and farming potential, we recognize that this act is necessary until a government is elected that will obligate, through banking legislation, a more responsible role for banks operating in Canada.

Now I should like to turn my attention to the essence of this bill—to encourage investment in the fishing industry. Exciting prospects on the east coast of Canada call for massive expenditure in the coming years which will further increase our export of Canadian fish to an ever-increasing number of countries. The need for new vessels and shore installations to meet the challenge of higher quality products from ship to shore to market will demand new equipment on the seas and on our shores. Already there is growing interest for a large fleet renewal which will stimulate shipyard construction and the demand for government and private investment in new modern vessels.

Fleet renewal in Alantic Canada, whether through tax proposals in the previous Conservative budget, or through encouragement by provincial or federal government programs, must be done cautiously. The past Liberal minister of fisheries was a cautious man, as is the current one. He is able to wait long periods of time before he jumps into action. As a matter of fact sometimes he is so cautious that he does not act at all.

The minister will argue that a fleet development plan must be in place before his government will permit a large-scale renewal of the Atlantic fleet so our fishermen can better handle their catch—gut, bleed and ice their fish and handle them in a sanitary manner. Then they will receive a better price for the catch and Canada can sell to the more discerning consumers in Europe, Japan, and other importing nations. However, there is a need to act rapidly on a fleet development plan. I would encourage the minister to table in the House and make public a fleet development plan in the near future.

The industry in Atlantic Canada is in need of some direction as to the kind of fleet the minister will permit. They do not know whether it will continue to favour inshore fishermen, whether more offshore fleets should be established, including freezer trawlers, or whether in fact the minister has a plan at this time. Fishermen must be aware of the type of vessel mix the department sees developing, before a wholesale influx of unacceptable vessels takes place. They can only run into conflict with regulations and in allocation of stocks if the Minister of Fisheries and Oceans (Mr. LeBlanc) does not table a fleet development plan soon.

The greatest danger for the east coast fishery is a repetition of the errors of the salmon industry in British Columbia. The dilemma of the British Columbia industry is accurately demonstrated by the figures published in the annual report of the Fisheries Improvement Loans Act of 1978-79. In 1978-79 a total of $28,317,786 was guaranteed under the provisions of this act. Of the total, $23,515,041 went to British Columbia. This guarantee amounted to 81 per cent of the funds lent to British Columbia in 1978-79, while Quebec and the Atlantic provinces shared $4.5 million.

The minister is aware of the need for fleet development in Atlantic Canada, as well as the need for fleet restriction in British Columbia. He has not acted through Parliament on either of these critical issues despite the urgency on both coasts. I urge the minister to consider what is happening on the west coast of Canada in terms of fleet development. Also I urge him not to make the same mistake in Atlantic Canada by allowing the same amount of overcapitalization to occur there as occured in British Columbia.

The experiences of the late 1960s remain and are worsening despite the highly-touted licence limitation and buy-back program initiated by a former Liberal minister of fisheries. It was referred to as the "Davis" plan. The object was to reduce the number of fishermen and vessels in the salmon industry so that those remaining could expect a good economic return from his or her efforts. In fact many smaller fishermen and vessels were eliminated over the ten-year period of the plan, but the failure of the government to recognize growing technologies producing more effective gear, sophisticated electronic equipment and larger more powerful mobile vessels, has resulted in a far greater pressure on salmon stocks than before the buy-back program. Indeed the plan has made it questionable as to whether the managers can accurately and safely manage the stocks, faced with an ever-increasing fleet capacity.

● (1650)

The most damaging evidence of the failure of the minister to initiate programs to protect and enhance Pacific salmon is his inability to curtail the rapid capital investment in the salmon fleet. The public of Canada will invest close to $150 million in salmon enhancement between 1977 and 1984 during this first stage. The object of the program is to increase salmon production by 120 million pounds in the long term, over a period of approximately 30 years. Public support, both in dollars and in emotion, is great. The public in British Columbia feel that the

Salmon Enhancement Program is going to bring, and should return, much money and many jobs to the B.C. fishing industry. Public support then is there, and the expectations exist.

One of the premises on which the Salmon Enhancement Program was based is expressed in the following quotation from the Department of Fisheries and the Environment Publication "The Salmonid Enhancement Program", published in 1977:

> It has been determined that the commercial salmon fishing and processing industry does not require any appreciable quantities of additional capital and operating inputs in order to double its outputs. The economic rationale of the program, however, demonstrates that industry will have to be constrained from making unnecessary new investment in response to the increased production, otherwise economic gains could be dissipated.

That was one statement in the premise to the Salmon Enhancement Program, that we really do not need to curtail more capital investment in the industry in British Columbia in order to harvest the output of the Salmon Enhancement Program over the long term. In spite of that, in 1978-79 another $23 million in loan guarantees by the federal government was placed in the salmon industry in British Columbia. That amount does not take into account the kinds of capital put into that industry without government guarantee.

An additional quotation from the same publication is as follows:

> Investment by government in salmonid enhancement could greatly improve the efficiency of the industry, assuring that additional capital inputs will be disciplined.

I would suggest that capital investment in the British Columbia salmon industry has not been disciplined. In fact the managers of the resource in British Columbia are having a tremendously difficult time managing these stocks simply because there are too many vessels in the industry for them to determine accurately what the catch should be. This results in frustration of the fisheries officers and managers in the industry in accurately predicting what kind of openings there should be, when the closings will be, as well as great difficulty in determining gear types that should be used to catch the salmon in British Columbia.

Fishermen are frustrated because they do not know from one year to the next what the gear regulations will be, and they do not know from one week to the next, in many cases, what openings there will be, where they will be, or what their quotas will be.

Figures for the Fisheries Improvement Loans Act in British Columbia show a colossal failure by the present minister now and in the past to curtail the construction of vessels that are not needed to catch the fish available.

In another government report on licences on the west coast, referred to as the "Sinclair Report", published in 1978, it is estimated the fleet is three or four times larger than necessary to catch available stocks, yet the B.C. shipyards continue to construct larger and more efficient vessels for an industry that has seen fishermen forced out to pave the way for renewed stocks, stocks that to this point in time show little evidence of co-operation with the best laid plans of the minister.

I would encourage the minister to look critically at the kinds of vessel construction which continues in British Columbia, and which in fact jeopardizes the Salmon Enhancement Program, and those kinds of exciting things the fishermen and the industry in general were expecting from him.

I feel, and most people in this House and across Canada feel, that good programs are something we are all supportive of, in this case the Salmon Enhancement Program. However, we cannot be expected to put money into salmon enhancement and also put more money into catching more and more of the salmon, dissipating that income from our salmon stocks.

On B.C.'s coast the problem results from too many efficient vessels and processing plants. The task for the department is to stop further investment until the need is demonstrated. The failure to do this to this point has contributed to the fall of all five species of Pacific salmon to below average returns for the past ten years.

An example of overfishing can be found in the Vancouver *Sun* of May 30, which referred to the Fraser River being closed to salmon fishermen. In our industry we are getting shorter and shorter periods of fishing time, particularly for the gillnet fleet, with more and more restrictions on the gillnet fleet, particularly for those people fishing on the Fraser River who were only given 17 days of openings last year and have had, I understand, just six days up to this time. Our seine fleet, because it is so large, is also being restricted in the number of days they can fish. The gross overcapitalization, if I may use that term, in the salmon industry, is restricting the number of days worked by fishermen, and is also bringing about difficulty to shore workers in very efficient plants.

The $23 million invested under the Fisheries Improvement Loans Act in 1978-79 only takes into account guaranteed investment. At the same time that we were spending $23 million to catch salmon we spent $19 million in British Columbia under salmon enhancement to produce the salmon, despite the warnings of the "Sinclair Report" and other government publications that we did not need more capital in the industry.

The complexity of the Atlantic coast fishery and the haste with which Canada must act to improve our handling of fish to improve our quality, increase our income and make inroads on world markets, make it essential to have a comprehensive development and marketing plan which would allow fishermen to reach the expectation they have in relation to the 200-mile zone and the ability of Canada to manage the fisheries in that zone.

A great deal of capital is needed on the Atlantic coast to change our fleet, to provide the quality of product that Japan, Europe, some of the developing nations and the United States require. This will mean a great deal of input.

The minister must not permit himself, however, to allow a wholesale fleet redevelopment plan without looking at the example in British Columbia. The minister must not permit himself the luxury of procrastination as he has in respect of the B.C. salmon industry. The urgency for a licensing program, a

fleet development plan, quality and marketing plans, and an attack on industrial and municipal pollution to satisfy the marine and aquatic environments of our coastal and inland fisheries, cannot be exaggerated. The minister can continue to exalt the virtue of Canadian fish and the potential, but he can no longer ignore the basic fact that decisions must be made now.

The bill before us today will provide additional borrowing power to fishermen. It is really a minor bill, but it is the first fisheries bill we have seen in this session. I hope it will not be the last. I hope the minister will come to this Parliament and the Standing Committee on Fisheries and Forestry, submitting to us a plan for a licensing program and allowing the committee and this House to discuss that plan.

● (1700)

I hope that the minister will soon provide this House, the committee and the public, with a fleet development plan so that the fishermen and processors in Atlantic Canada are aware of the direction which this minister intends to take in terms of upgrading the fleet and providing the quality for which we are looking. Up to this time we have not seen those programs coming forward for discussion. The Standing Committee on Fisheries and Forestry only met just yesterday, and the steering committee met just this afternoon.

Hopefully the minister, when he is in front of that committee, will provide us with a timetable of some of the important programs which, I am sure, he has under consideration. While I am uncertain of the value of this bill to the west coast, considering the amount of capital that we have in that industry there, I do see a need for it in Atlantic Canada and in the prairie provinces. As a result of those considerations, my party will be giving support to this bill and hoping for its early passage.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I, too, would like to offer some observations on Bill C-28 which is presently before the House.

An hon. Member: Positive criticism.

Mr. Siddon: Of course my criticism is always positive. We think that the Fisheries Improvement Loans Act has been a relatively successful program. It is the kind of program that puts the burden of initiative upon the fishermen themselves. We commend the proposal in this legislation which will increase the ceiling in terms of individual loans. It will extend the repayment period from ten years to 15 years, and it will create a ceiling on loans over the next three-year period of $250 million.

It is interesting to note that in the last 23 years this program has been in existence, there has been some $125 million in loans granted under the Fisheries Improvement Loans Act. This bill will allow $250 million in additional loans over the next three-year period. I commend the government for that initiative. The default rate under this legislation has been less than 1 per cent, as the minister indicated in his opening remarks. The cost of this program to the taxpayers of Canada has been less than $1 million over the past 23 years of its history.

As other speakers have indicated, we are prepared to see this bill through the second stage of debate as quickly as possible. But we do want to see the bill referred to the Standing Committee on Fisheries and Forestry so that we might extract some responses and receive clarification on a number of questions which have already been put and others which I will be putting in the next few moments as well. Whereas we are supportive of the bill, there are some disappointments and reservations about the general thrust of this initiative.

I will quickly summarize those reservations, and then go into further detail. First of all, it is startling to me that there is no mechanism to determine or monitor where the loaned money is going. I will elaborate on that in further detail later. It is notable that in the annual report of the Fisheries Improvement Loans Board there is not much detail as to how the money which is being loaned under the provisions of this act is being related to the management policies of the federal Department of Fisheries and Oceans.

As my hon. colleague for South Shore indicated, in these times of wide fluctuations of interest rates, it is a concern that there are no guarantees written into the legislation or some requirement that banks guarantee interest rates over an extended reasonable period, such as three years, four years or five years, as compared to the present situation where the interest rate is held at 1 per cent over prime and fluctuates with the bank rate.

As the hon. member for Nanaimo-Alberni (Mr. Miller) indicated, there is a conflict of policies in this program. On the one hand, particularly from the west coast perspective, this legislation is being used to loan large amounts of money for the development of a fishing fleet, while at the same time we are implementing increasingly restrictive management policies which frustrate the developmental instincts of fishermen. That is legitimate in its own right because it is consistent with the need to conserve and manage the resource as wisely as possible. There is a serious paradox in that there does not seem to be a tying together of the questions as to where this money is going and how it is being used to develop various sectors of the fishing fleets, particularly on the west coast, and how that ties together with the management policies of the department for which the minister is responsible.

There is a strong bias in the amount of money being loaned on the east coast vis-à-vis the west coast. If one looks at the recent annual report it is noteworthy that over 75 per cent of the loans made under this legislation went to British Columbia. Something less than 25 per cent of the loans went to Atlantic Canada, and a very small quantity went to the interior provinces. We in British Columbia have a genuine concern as to how this large amount of money, over $20 million, is being dispersed within British Columbia for the benefit of our fishing industry.

But the questions which I will ask now go beyong British Columbia. They are legitimate questions which must be asked

about the program in general. First of all, it would be very, very helpful if the minister, when we get to the committee stage, would provide information on who is borrowing this money. By that I mean a detailed breakdown on the division of loans as between various gear types and various licences that are carried by the vessels and ancilliary equipment which is purchased with these loans. It would be interesting to know how the money is being dispersed between various sized vessels.

It would also be pertinent if the minister could provide us with information as to the background of the borrowers. In his opening statement the minister indicated that the ordinary fisherman is benefiting with these loans. I believe that to be true because he has said so, but in British Columbia there is a suspicion that much of this capital is being used by various larger interests in the industry, corporate interests one might say, and in fact perhaps by speculative investors and professional people who have no history in the fishing industry.

I believe that it is very important that the minister supply, by tabling a detailed breakdown, information as to who is getting these loans and in what sums they are being dispersed. In particular I think it is important that we examine the extent to which this money might have been used, either directly or indirectly, to produce concentrations of ownership in the west coast fishing industry. I am thinking particularly of the recent takeover by B.C. Packers of the Canadian Fishing Company, the concern which many west coast fishermen feel about the tremendous leverage they command in the industry and the extent to which capital loaned under this program might, by one means or another, be used to benefit those kinds of takeovers and consolidations of ownership. As I indicated a moment ago, I think that in view of the tremendous frustration which fishermen in British Columbia have experienced over the complicated and increasingly tedious licencing system which is evolving, it is important to determine which type of licence classes are getting the loans under this program. As I hinted earlier, I think probably the most important question that the minister must answer is to what extent the Department of Fisheries and Oceans is exercising control over the disbursement of these rather large amounts of money, and to what extent that disbursement is matched to the management objectives of the department.

It was a surprise to me, upon doing some checking, to learn that there are no fisheries loans review boards at the federal level on either the east coast or the west coast. There are provincial review boards in Atlantic Canada. I would expect some kind of a tie of that nature to ensure that fishermen and the department have some say in how these loans are disbursed.

I would also like to raise what is to me a philosophical dilemma. I look to the economics of the fishing industry and I see that the uptake of loans under this act is very much lower in Atlantic Canada than it is in the case of moneys needed to develop the west coast fishing industry. In contrast, I see large amounts of direct capital assistance going to the east coast fishery through the small craft harbours projects, gear subsidy programs, vessel subsidy programs and the like. I do not condemn that particularly, but I wonder what the minister has to say about this dichotomy between the east coast fishery and the west coast fishery. Is it perhaps that the east coast fishery is so dependent on grants and federal largesse that it does not need to seek out loans and take the additional risk that entails? If that is the case I think we all want to understand, if this is a matter of government policy, what the implications of it are.

● (1710)

I believe that the loans route is a commendable route, and when the government can assist with risk taking, to a degree that is desirable. Unfortunately this government has not agreed to pursue the tax incentive route by introducing write-off provisions in the Income Tax Act. This was proposed by the former minister of finance in the Conservative government in order to encourage investment in the construction of vessels and related equipment in a direct sense, not by depending on government but by allowing the private sector interests to pursue their initiatives and to reward that by some form of tax credit.

As was mentioned by the hon. member for Nanaimo-Alberni, there is a problem in the B.C. fishing industry in particular, regarding overcapitalization. The minister is very familiar with that problem. We have many large vessels and, of course, a much larger number of small vessels. The large vessels are capable of harvesting the lion's share of most species of fish on the west coast. They are equipped with sophisticated sounding gear, powered winch gear and all kinds of ancillary equipment, to make them a very powerful force in the west coast fishing industry.

I would be alarmed if I were to learn that many of the larger vessels, particularly seiners, were those that are benefiting most under the Fisheries Improvement Loans Act. We do have the dilemma of overcapitalization. However, fishermen also mortgage their homes and borrow large amounts of money, as much as $250,000, to build larger vessels. The viability of those investments is predicated on stable markets and a stable management policy.

Conflicting with that, in recent years we have seen the continual rearrangement of management policies, relating to licensing in particular, to the extent that the fisherman exists in a world of uncertainty and is subject to the vulnerability of the boom and bust cycle which prevails because of natural factors or inadequate management information on which licensing policies and decisions are based.

I believe that the management policies that the department has created and developed ever since the days of the Davis plan, exacerbate the problems we face. On the one hand we are confronted with a 200-mile limit and we want to develop those new resources consistent with good management policies in a way which will be to the net benefit of fishermen. On the other hand the various actions of the department in recent years have frustrated and dispirited individual fishermen who need to invest in rather large vessels and associated gear.

Halibut is an example. We have an agreement with the United States involving halibut caught in Alaskan waters. That led to the closing of an area of the fishery in which a number of investors were just embarking. The federal government was caught in the ludicrous position of buying back gear and buying fishermen out of that industry, perhaps financed with funds that had originally been loaned under the Fisheries Improvement Loans Act. The minister shakes his head, and I would be pleased to get information to the contrary.

I have a secondary problem consequential to that halibut agreement which might be of interest to the minister and to the House. As a consequence of the gear buy-back program, a lot of gear is being sold through Crown Assets Disposal at less than half the market value. Small manufacturing enterprises engaged in the business of building gear—drums, power winches, net handling gear and the like—in British Columbia are frustrated because gear is now being dumped on the market by this government which is supposed to be interested in their welfare. The government's decision to restrict the halibut fishery results from what I believe was a rather hastily conceived and poor agreement with the Americans regarding northern halibut. It frustrates the entrepreneurs who service the fishing industry.

There is also a problem with black cod and other forms of bottom fish which are presumably available to west coast fishermen as a result of the 200-mile limit. The information on stock levels is inadequate. No projection of future yields is available as a basis on which to predicate investment—investment which might well be funded under this program.

We also have the very serious problem of the depletion of herring stocks. The hon. member for Capilano (Mr. Huntington) has a deep and personal interest in this problem. The consequence of the depletion of the herring stocks was the closing of the herring roe fishery this spring. I wonder how many of those powerful herring seine boats were financed with moneys obtained under the Fisheries Improvement Loans Act.

An hon. Member: It was a strike.

Mr. Siddon: It was not entirely a strike, it was a question of quotas and stock levels resulting from overfishing in bonanza years which the department permitted in years gone by, and which built up expectations. Now those people who may have mortgaged their homes or incurred commitments under this act are hard pressed to make the payments against those loans.

I now come to a very important problem, Mr. Speaker, that relating to Chinook salmon. A decision was taken just last week by the department, in the name of the minister, to close the Chinook salmon fishery in the Fraser River. That decision will impose tremendous hardship on the small boat owners who gillnet fish in the Fraser River. No similar sanctions have been imposed on the seine boat owners, the trollers or the sport fishing community. The squeeze is being put on one sector of the industry. I should like to know how many of their vessels have been financed through loans made under the Fisheries Improvement Loans Act. The squeeze is not being applied against the larger vessels nor indeed against the American vessels which intercept the Chinook salmon beyond the boundaries of our territorial control. We have not found an acceptable solution to this because the department have not resolved the Canada-U.S. fisheries treaty question on the west coast.

There are a variety of paradoxes here, Mr. Speaker. They all point to the very important need for loans, for financial incentive and initiatives relating to the development of the fishery to be properly and carefully integrated with the management objectives of the department. I would welcome any information the minister could offer which would clarify the genuine concern that I have. There is a definite need to complete the white paper policy review initiated by his predecessor in the Conservative government. This would have led to a fisheries development policy for the 1980s. Many of his departmental officials put much effort into this, and the people of Canada made a considerable contribution to it. The problems we have heard of this afternoon point to the need for a policy paper which addresses these very important questions.

There must be more effective consultation. The Sinclair and Levelton reports on licensing have been circulating for almost two years. They deal with difficult conservation questions which we should consider at the standing committee level. I submit that is where members who represent fishing industries can make a contribution and assist the minister in resolving this important paradox which comes from taking a development oriented approach to the industry on the one hand and, on the other hand, talking about restricting, conserving and restraining the natural initiatives of fishermen.

• (1720)

I hope the minister will consent to allow the Standing Committee on Fisheries and Forestry to review the Sinclair and Levelton reports. We are not too far along with that initiative so far, but I believe the members of that committee could be of great help to the minister in getting out to the regions and listening in detail to the fishermen.

In closing, from surface impressions at least, I see a rather haphazard approach being taken to the disbursement of funds under the Fisheries Improvement Loans Act. I think the Department of Fisheries and Oceans must be held accountable for rationalizing their management initiatives against their desire to provide capital for the building and development of our fishing industry.

I believe that we must have some type of review process and some reporting method so that the fishermen of Canada and members of Parliament can view the ways in which these moneys are being disbursed and the way in which they integrate with the management policies of the department. I would hope that the minister will comment on that recommendation this afternoon. In any event, we certainly look forward to pursuing it at greater length when this bill reaches committee stage, which I am sure it will.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I would like to seek the unanimous consent of the House to revert to motions for the purpose of moving concurrence in the first report of the Standing Joint Committee on Regulations and other Statutory Instruments, notice of which appears in today's order paper on page 4.

The Acting Speaker (Mr. Blaker): Order, please. The parliamentary secretary seeks unanimous consent to revert to motions for the purpose he has described. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Robinson (Etobicoke-Lakeshore): Mr. Speaker, I move:

That the first report of the Standing Joint Committee on Regulations and other Statutory Instruments presented to the House on Monday, June 2, 1980, be concurred in.

The Acting Speaker (Mr. Blaker): Is it agreed?

Some hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

The House resumed consideration of the motion of Mr. LeBlanc that Bill C-28, to amend the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this bill is certainly one which should go to committee and which should be discussed therein at quite some length. Like many other government intentions, the act finds itself in a position as it stood prior to the introduction of this amendment in which it was impossible to make a significant loan to a boat owner whose boat might require extensive improvement. For instance, in the Bay of Fundy herring industry it would have been impossible to put in a good refrigeration system in an old boat within the $75,000 limit, and I question whether $150,000 will adequately do the job for some of the larger boats that are afloat today. Therefore I believe that we are failing to

recognize, even with the limits outlined here, the need of a modern fishing industry.

We have discovered, much to our chagrin, that many of the fish packed or otherwise processed in this nation have not met the quality standards to which some of our foreign potential buyers are accustomed. Some of us have had meetings in parliamentary committees, for instance with European buyers, and we have been advised that our quality does not necessarily meet that to which others are accustomed. Therefore our markets are tenuous. We must have a policy which will improve the capability of our fishing fleet as well as of our processing industry to deliver the quality which is required to sustain the markets and to extract the price which would be available under proper quality circumstances. However, the $150,000 will do some things for some people, but in this structure they will have to be quite small things.

I am concerned by virtue of the fact that, as the fishing industry modernizes and as inflation gallops along behind—or stays out in front in many cases—fishermen have not been able to qualify for loans. The fishermen have not been able to get loans and they have been denied the privilege of safe and adequate fishing vessels. I am saying quite frankly to the minister that I hope he will give some consideration to increasing the size of this limit as it is presently offered.

There are good grounds for making this statement because a joint presentation of the Atlantic provinces to the minister implied some time ago that in 1977 we were looking at a $900 million-plus requirement to upgrade the Atlantic fleet so that we might take proper advantage of the 200-mile limit. When one couples that with the demand that the inshore fleet must improve its capability of delivering quality, we are looking at a lot of money required to do the job.

As a party or as a government we had proposed there become a bank type of facility which would finance the construction of these boats for individuals or groups of individual fishermen so that they could take advantage of this opportunity. The industry would then end up in a vertically integrated structure on the east coast of Canada as it has in many other spheres of our industry. We have many problems, and I hope that we may get a chance to discuss them in greater detail when we get into committee stage on this bill. There are a number of items which we should have an opportunity to discuss. I do not think that we should compromise the independence of the fisherman. We should give him an opportunity to buy a new boat and I think that this is a provision we should have.

One of the problems with the fishing industry, as with the agricultural industry, is the fact that the federal government over the last 15 years has chosen to withdraw itself as a participant in the financial structure to keep the industries in place. As a result, the provinces have had to move in. Some might have moved in anyway, because there are provinces that are inclined to top load the agricultural, the fishing and other industries. I submit that it was the vacating of the historic federal responsibility that has enhanced, encouraged and

expedited the interference of the provincial structures into the financing of the fishing fleet.

The federal government should take a long hard look at trying to arrange with the provinces for an equitable opportunity. Province A should not be pitted against province B by the creation of a more attractive loan structure in one province over another. As a result of that, certain ship owners are finding it convenient to move from one provincial jurisdiction to another, taking their boat and their licence with them. This leaves processing facilities behind. It takes the employment with it or leaves unemployed behind, and it is becoming a rather serious social problem as one province competes with the other.

Why do we not give some consideration to making this a bill which might replace the competitive financial proposition placed before fishermen by one province after another in order to attract that industry away from one province and into another? The transfer of a fishing capability from one community to another leaves an isolated community which may well become a ghost town. I think there must be more co-operation between the federal government and the provincial governments.

● (1730)

As has been mentioned earlier, the offshore sales conducted and negotiated by the minister were not conducted with the consent or the approval of the provinces. There is no excuse, in view of the commitment of fisheries ministers in the past 15 years, including that little recess in which we had our opportunity to govern, for a minister making a hasty decision and then confronting provincial counterparts with it, having given them no opportunity to consult. This is wrong. The minister decided that he knew who should market the fish, and he knew who should buy it. He knew everything that ought to be done. Serious objection was expressed by all interested in the fishing industry: if there were to be offshore sales, guarantees should not be supplied by the government and, certainly, any such guarantees should not be in the form of an opportunity to catch fish additional to the quantity already allocated to foreign sources. It is not good for this to happen.

The uncertainty which exists in the fishing industry throughout many of our coastal communities is intolerable, and I believe it could be corrected. We are predicting larger catches of various species of fish and I should like to discuss the herring seining operation, for instance. We have consistently reduced the quota which the herring seining fleet can catch and we have constrained that sector of the industry from going to certain historic grounds in which it used to fish. This is perhaps because Quebec thought the Fundy fleet should not be up in the Gulf, or maybe because Newfoundland thought it should not be off Newfoundland, and Nova Scotia people thought it should not fish off Nova Scotia, ignoring the fact that the seining fleet had created an ongoing year-round fishing operation to which the coast had not been accustomed before.

If it be necessary that the minister accept the pressures of politics from certain areas within Canada, then it becomes equally necessary that when there are additional quotas of any species available, if you rob Peter you had better pay him back. And don't just rob Peter to pay Paul. You had better pay Peter back. For instance, some of these seining boats were only allowed to be bought, built and financed by regulation of the federal government which stated, "You cannot build a boat unless it is licensed both to seine and to be a dragger as well." They were able for years to make their living from herring seining alone. They were never told, "If you do not use those dragger licences you are going to lose them." Consequently there are boats which originally had more than one licence but which had no need to operate under those other licences. The owners are now told they cannot operate under those other licences; they cannot renew them and they will not be able to make a living.

I cite this as an example because I believe there are fishers of other species who are likely to find themselves brought under constraint. I submit there has to be additional licensing opportunity so that, where possible, these boats could be used to make a living for a very proud group of people who have been accustomed to making their living in a hard way but who are now being deprived of that possibility. All these things have to be taken into consideration in the management of supply. If you deprive a guy of one privilege, let us look around and find him another one as we increase the total allowable catches, or, barring this, let us make it possible for him to participate in another fishery because, as I look through the charts which the government has provided, and see what has been the total allowable catch, what has been the historic catch, what has been the foreign catch, and what is the predicted catch, I find that there is a greater fishing opportunity with respect to a large number of species. Perhaps some of those who were deprived of their present living could be extended the privilege of fishing in the areas in which quotas are to be increased for other species—it may be haddock, it may be halibut, it may be cod. Let us not leave these people completely isolated and hung out to dry to go broke. Maybe the dragger licences could be extended to the seining fleet which cannot make a living under existing quotas.

Mr. Speaker, we have talked about a lot of things, including the salmon enhancement program on the west coast. I should like to say to the minister, through you, Mr. Speaker, that we need a salmon enhancement program on the east coast. I recently had a conversation with the president of the Bay of Fundy Salmon Fishermen's Association and he told me that when he was a boy he and his father had fished salmon in the Bay of Fundy. As a boy, I knew there was a good opportunity for sportsmen all along the Saint John River Valley. But a low point was reached in the twenties and it was during this period that the Government of Canada undertook an intensive program of the development of fish hatcheries. They built one in the community in which I lived, another one 50 miles north of there, and another 150 miles south. They were scattered over New Brunswick. They were built in Bedford, Nova Scotia, and

Margaree, Nova Scotia, among other places. That man reported to me that within a reasonable period of time, because of this intensive effort on the part of salmon hatcheries, in the scattered hatcheries throughout Atlantic Canada, the salmon population did in fact return to the Bay of Fundy to a point at which it was again a viable fishery.

I beseech the minister to examine in a practical way the increment in salmon population which occured when salmon hatcheries were developed—salmon and trout, for that matter. This may be contrary to some of the recommendations he has received from a strictly scientific point of view. The little hatchery near my home hatched up to 2.5 million salmon eggs. The little streams in which I went fishing as a boy soon became populated with "shiners", fingerling salmon which went to sea and returned, fully grown, in adequate numbers to bring about both a professional fishing industry in the Bay of Fundy and excellent sports fishing in the streams of New Brunswick.

Now this little hatchery in my community has been closed down, phased out. It has a good water supply. It is a good facility. I wish the minister would at least consider reactivating this hatchery and experimenting in a stream or streams in New Brunswick with this one hatchery, if with no others, to determine whether or not the older fishermen in the Saint John-Bay of Fundy area are right when they say that hatcheries will, indeed, increase the number of salmon in the streams of New Brunswick and in the Bay of Fundy. I have already written to the minister on this subject and I hope he will give it serious consideration.

All the things we may wish to do with regard to financing the industry and preserving the stocks will be in vain unless we improve our surveillance program. I had the privilege of discussing this program off the Atlantic coast with a chap who worked on it for the summer. He gave me some rather startling information. In his summer employment he did not see the gear hauled on a foreign fishing vessel to know what came ashore. He did not see one haul. He spent his summer on a boat which did not see the foreign fishing vessels which he inspected haul their gear from the water. I think this would be something for the press to pursue. I do not have all the information I would like to have on this, but I think the press should do some very careful interviewing of people who have worked aboard the surveillance vessels off the east coast of Canada. They are slow. The fishing vessels are far faster than the surveillance vessels. Some fishing vessels have sailed beyond them and were not apprehended getting out of our boundary waters and into American waters where we could not apprehend them.

● (1740)

The inspection of freezer boats is such that once a boat is half loaded, what is it loaded with? How are you going to get into the holds to determine what in fact is in them? I am very skeptical of the surveillance on the high seas as I watch the surveillance on the streams. I have pleaded with the minister, I believe every year since 1972, to put the type of surveillance on the streams of eastern Canada which would put the fear of the law into those who are poachers and on who I lay the blame for a large portion of the depletion of our salmon population.

It is all right to say that the native people on the streams have taken them all. They have taken some, but when we know through the grapevine that there is an organized marketing structure through which poachers work to get rid of their illegal catch, and that is marketed with good returns to those who caught the fish illegally, then there has to be something seriously wrong with the enforcement system. I plead with the minister. I think I made an element of progress with his immediate predecessor with respect to what should be done for surveillance of these streams and the penalizing of those who poach upon them, and I hope that this too will not have been lost by a change of government.

This bill certainly should go to committee. It should be discussed. It has some very important aspects, and it gives us in this House who are interested in fishing one of very few opportunities to discuss the industry. I think we can under this bill.

One of the things we have learned is that if we would put our foreign fishing licences into the hands of some countries which would provide markets, we might indeed get better trading opportunities. Western Europe is prepared, I think, to make some duty concessions if we are prepared to put some of the foreign fishing licences into the hands of European nations. We might have to take them from those who already have them, because I am not suggesting that we give additional foreign fishing capability to foreign fishing fleets. Rather, we should reduce it, but there is reasonable indication that it becomes negotiable if we place our foreign licences in the proper hands.

Once again I wish to repeat what the hon. member for South Shore (Mr. Crouse) said with respect to tax credits. If ever there was a hazardous industry which has cyclical opportunities of market and fish runs, it has to be the fishing industry. It and agriculture are the two riskiest industries in Canada. I think there should be the greatest opportunity possible for tax credits to make it possible for fishermen to feel that they have a future in the purchase of vessels which would be capable of earning them a living regardless of their cost. They should not be burdened with 20, 30 and 40 year mortgages as we are when we buy houses. Rather, they should be granted an opportunity so that within a short period of time they could pay for them. This is not a loss of tax money. It is a deferral of the collection of tax because, once it is paid for and once it is depreciated, then the government gets its pound of flesh in full fashion. I think this is an important and imperative thing to do.

I look forward to meeting the minister in committee, discussing this bill to a greater extent and getting to some of the finer points of some of the problems which we have on the east coast which need attention.

Hon. Ron Huntington (Capilano): Mr. Speaker, I did not realize I had percolated to the top of the list.

I just want to poach in a few comments of concern and take this opportunity as a member from the west coast who has been involved in fishing. Actually I was a gillnetter at one time trying to get myself through university, and when I am out on the coast and on the water I do use the opportunity to have dialogue with fishermen. I visit the up-coast fishing plants. I stop and have great evenings on some of the fishery patrol vessels and with the people clearing streams. I get a grassroots feel for the problems out there.

Before moving on to that, I would just like to remind the House that this bill is needed at this point in time, but it should be part of the over-all review in terms of credit and the type of financial service the Government of Canada is making available to the various sectors of the Canadian community.

As the minister said in his opening remarks, we are now moving into guarantees, and the guarantees are moving from $80 million up to some $250 million. That in itself is not serious. The cost of these guarantees is about three-quarters of 1 per cent, but the Federal Business Development Bank is also substantially involved in guarantee programs, the cost of which before the recent rash of bankruptcies was running at about one half of 1 per cent and is probably now up over 1 per cent.

We are getting ourselves into a downstream liability under these guarantee programs, and I think we in the House should ask ourselves just what contingent liability we are placing upon tomorrow's taxpayers and upon the treasury of the country.

We are getting into guarantees like $200 million with regard to the Chrysler Corporation. We see possibly $250 million as the expanse of this program for east and west coast fisheries, which benefits many people. It is true that the Chrysler program will benefit workers a couple of years down the stream, but we are also in a patchwork quilt dilemma with the various programs we keep sustaining and extending for another couple of years. The review that the Minister of State for Small Businesses (Mr. Lapointe) has told us about, and which has been in the works now for some time, is a very important review, and this particular subject matter should be part of that review as it fits into this whole question of the types of financial services delivered to the community and the contingent liability we are getting into, in the form of guarantees.

One of the things which has concerned me is the fact that the Department of Fisheries and Oceans seems to be moving into a marketing stance on both coasts. I am not familiar with the detailed aspects regarding the east coast, but I do know that everything we harvest on the west coast is marketed and sold. I suppose it is because I am on this side of the House, I am a Conservative and I believe in limited government and that there is a better lifestyle and more efficiency in activities widely dispersed in the private sector, that I keep questioning why the Department of Fisheries and Oceans should be moving in and making threats to move into marketing when I think the job it is doing in the enhancement and protection of species deserves examination. That should be where the total effort is concentrated, and if the department needs more resources in terms of protecting, enhancing and developing the species, that is where its activities should be concentrated, particularly on the west coast.

The spawning streams in the state of Washington have been wiped out. When we see what Mount St. Helens has done, we know what nature can do to nature in terms of distortions. True enough, British Columbia and the B.C. coast are more stable geologically than that particular area down there. Perhaps we should be moving into hatcheries that are at the mouth of our river systems so that we can protect the species. As the minister knows, the protection of the species, or the escape of the species into the spawning grounds now, has an added pressure on it and we have to allow more and more of the salt water escapement to move upstream in order to adjust to new harvesting pressures that are on the upstream spawning grounds.

● (1750)

I am not knowledgeable enough to enter a debate on this, but it troubles me when I see, up in the rivers and in the hinterland of British Columbia, power boats and gillnets. It is putting a pressure on that is very difficult to control, and it causes factions and pressures between the native peoples, who have a right to the usufructuary rights of the land. I will stand and argue and debate that, but here is a problem that has to be resolved, and we have to be moving in with the federal knowledge, with the provinces, to try to do that. Perhaps some of this problem can be resolved if we move into the technology of hatcheries down lower at the mouth of the Fraser river end of our streams.

Let us consider herring. One of the things that has truly troubled many of us on the west coast is what we have done to our herring. It was not the Department of Fisheries that outlawed pit lamping in the gulf of Georgia. It was the skippers of the seine boats who outlawed that rape of the water. They would go out there and set their seines, and the pit lamps would be down there, and they would pull these seines in, and they could pull up juvenile salmon, not herring. Every time you gather in a ball of fish like that, the mortality is tremendous.

We need a lot of interface and a lot of talk to prevent some of the things we are doing to ourselves on the west coast. But when we allow a harvesting operation to move right up into the spawning beds of herring, right up on to the kelp, right up on to the rocks where they are about to spawn, and we take that resource away, particularly in light of what most of us on the west coast feel who know the waters, when you allow that, you are putting a pressure on that resource at which we should really be taking a good hard look.

An hon. Member: Hear, hear!

Mr. Huntington: There is a big sports fishing industry out on the west coast, and I am a sports fisherman. But perhaps we must take a really good look at disallowing the use of herring in the sports fishery. I can tell you that there are little bays and coves all around with sand bottoms, which formerly had tremendous, boiling populations of herring and feeder fish, and

people who are making their living from it sweep these bays out. Where you used to be able to go in and jig for your bait and put it on a hook and catch your salmon, there are bays now where you cannot jig for herring because there just are not any herring there. I took to my colleague on this side of the House, formerly the Minister of Fisheries, a series of letters expressing deep concern from residents on the coast as to what had happened to that little bay and this little inlet and this little area here that historically had had herring in it. That herring had now gone because they had been swept out.

We just cannot remove that feeder source for our salmon from the Gulf of Georgia, and I make an appeal to the minister that we look at it very hard, that our very talented people in fisheries out there should really be devoting themselves to the protection of the resource.

When I presented these letters and this concern to the former minister of fisheries in the last Parliament, I got a letter back, very detailed, but it was pure bureaucratic pap, sir. Even the former minister has had to realize that the concern which was being expressed in the letters that I submitted to him has turned out now, in fact, to be true. Yet there was a defensive letter written for him that he passed on to me, that I passed on out there, and of course I got it back with comments on it that would not be fit to repeat in the House.

I would plead, through you, Mr. Speaker, to the minister, that we give very serious concern to what we are doing to the feeder stocks out there. This also moves into the lack of common sense—or perhaps there is common sense to it, but nobody on the west coast can understand why the department of fisheries was asking the previous minister to put a limit on 20 inch fish. In other words, if you caught anything under 20 inches in the sports fishery, you had to throw it back. That makes no sense at all, and if there is scientific rationale for that kind of regulation to be placed on the people on the west coast, we have to understand the reasons why. I think that if people are given the reasons why these regulations are drafted and needed, and if they can understand them, particularly in light of the call from people like Mike Crammond, who, for 20 years has been warning us that we are wiping out the herring fishery of the Gulf of Georgia. That call in the wilderness has always been denied by the officials in the department of fisheries, yet I think that if you are going to be honest with yourself today, and you go out on to that coast, you will find that the herring population inside the gulf is indeed threatened and must limit the availability of feed for the fish returning to the spawning grounds.

I would urge, through you, sir, that the minister look seriously at resolving the dispute with the International Salmon Commission because there are engineers sitting there, frustrated, waiting to implement some of the technology that is sitting there, in terms of hatcheries, in terms of improving the breeding of species. Every time I sit down in a boat or on a dock or in a yacht club, I hear these frustrations, and I think that there would be unanimity in this House, from all parties, in urging the minister to move and deliver resource into hatcheries and start protecting the feeder systems that these returning salmon need in order to mature in the gulf.

Surveillance has been mentioned on the east coast. I would say that we also need to look seriously at a merger or an overlapping of responsibilities between the resources of the Department of National Defence, the Department of Transport, the Coastguard, and the Department of Fisheries. I think we can make far more effective use of our physical plant if we get into a merger there. True, the inspection process now, for the new international role we are playing in trying to protect the species, and hence, the continuity of harvest within the 200 mile limit, requires that we be equipped in a modern and efficient manner.

In terms of marketing, if I might come back to that subject, why is the SaltFish Corporation now being moved into the marketing of frozen fish? Is the information that reaches me true, that they have received some $15 million for their involvement in this? Is there a legal status for the SaltFish Corporation to enter into the frozen fish market? Perhaps the minister, in reply in the second reading debate, could shed some light on that, because I seriously question why a Crown corporation that was put in place for a specific need should have its marketing activities expanded when the private sector is equipped and is equipping itself, and is quite capable of handling that aspect of the fishery market.

An hon. Member: No $15 million.

Mr. Huntington: No $15 million? That is good news, then. Perhaps the minister will just advise us why that corporation is being expanded and, if it is not $15 million, are there any dollars being put into that aspect?

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

• (1800)

Mr. Howard Crosby (Halifax West): I recognize that Mr. Speaker is entitled to see whom you will in their place, but I want to point out to the House that when the hon. member for Carleton-Charlotte (Mr. McCain) completed his intervention and took his seat, I rose in my place to be recognized. If I am not mistaken, I believe I was the only one who had risen, and Mr. Speaker did not see fit to recognize me. As I say, I realize that is for Mr. Speaker to determine, but I wanted to report and record that fact.

The Acting Speaker (Mr. Blaker): Order, please. To pay due consideration to the comments of the hon. member, throughout this afternoon the Chair has been having some difficulty because reports have reached this place that, on the one hand, there was a disposition to put this bill through second reading before six o'clock, and on the other hand, increasingly larger numbers of members have approached the Chair to be on the list.

As to the problem raised by the hon. member for Halifax West (Mr. Crosby), I think he will find, if he consults with members of his own party, that he will have the explanation as to why he was not recognized at that time.

It being after six o'clock, this House stands adjourned until tomorrow at two o'clock pursuant to Standing Order 2(1).

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 5, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO SENIOR CITIZENS—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise under the provisions of Standing Order 43, and I hope the opposition side will give this matter serious attention.

In view of the fact that since January 1, 1976, 13,500 senior citizens have been illegally denied unemployment insurance benefits, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House direct the Minister of Employment and Immigration to immediately bring forward legislation which will overcome the government's previous insensitivity and provide a mechanism that will allow these senior citizens to receive the benefits that they have been owed since 1976.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

FAILURE TO NEGOTIATE ENERGY-PRICING AGREEMENT—CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise, under the provisions of Standing Order 43, to place before this House a matter of urgent and pressing concern.

Whereas the Minister of Energy, Mines and Resources has failed in his attempts to negotiate an energy-pricing agreement with the producing provinces, and whereas the Minister of Energy, Mines and Resources has given up on new negotiations and asked that a pricing agreement be now negotiated by the first ministers, and whereas the Minister of Energy, Mines and Resources has, in a speech to the Canadian Manufacturers' Association, made inflammatory remarks which have seriously damaged harmony and accord between provinces and the federal government, I move, seconded by the Alberta caucus and by all concerned Canadians:

That the Prime Minister remove the Minister of Energy, Mines and Resources from the portfolio he now holds, which he neither understands nor appreciates, and that he be replaced by a new minister with some grasp of this important and sensitive subject.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

DATE FOR ACHIEVEMENT OF NEW CONSTITUTION—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a motion which, given its importance at this time, I hope will gain unanimous approval of the House. There has been some discussion on both sides to achieve this end.

Considering the national importance of achieving constitutional change and a renewal of Canadian federalism at an early date, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the House urges the first ministers' conference meeting on June 9 to set, as an outside date for the achievement of a new Canadian constitution, July 1, 1981.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Joe said no.

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CANADIAN PACIFIC RAILWAY

RECOGNITION OF KETTLE VALLEY RAIL HERITAGE SOCIETY—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I seek the unanimous support of the House on a matter which affects every citizen of Canada who values our history and heritage.

Inasmuch as the Kettle Valley Rail Heritage Society, a self-financed group with some 2,000 members in the Okana-

gan Valley, is dedicated to the preservation of a unique 56-mile abandoned section of the Carmi subdivision of the CPR which was immortalized in the filming of the Pierre Berton inspired movie "The Impossible Dream", I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That this House urge the responsible authority in the CPR to recognize the worthy purpose of the aforementioned society by declaring a moratorium on track removal of one year's duration in order that the terms of preservation may be established.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

DONATIONS TO NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise under the provisions of Standing Order 43. The NDP passed a resolution in 1977 which states that the party would not solicit or accept funds from any sources other than individuals, labour unions, co-operatives, small businesses and recognized non-profit organizations. George Johnston of the British Columbia Federation of Labour said:

● (1410)

Our role is in opposition to corporate interests and there is no way we can maintain our integrity while accepting donations.

Robin Sears, chief agent for the NDP, reported to the Chief Electoral Officer that in 1978 the New Democratic Party received more than $172,000 from private corporations, including contributions from such small businesses as Holiday Inn, Canadian Tire and Dominion Securities.

An hon. Member: Canadian Tire?

Some hon. Members: Oh, oh!

Mr. Friesen: In view of these facts, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House call upon the NDP to return immediately to these private corporations this money, with interest, and to write an open letter of apology for misleading the Canadian people, in order to ensure the future integrity of the party.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Chénier: The NDP said "No".

[Translation]

SPORTS

REQUEST HOUSE CONGRATULATE GORDIE HOWE—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce an important motion of urgent and pressing necessity.

Considering that hockey is the national sport of our country and that yesterday one of the greatest hockey players of all times, Mr. Gordie Howe, decided to retire, considering that this great athlete from Saskatchewan has been the idol of hundreds of thousands of young Canadian athletes over three decades; and considering that Mr. Gordie Howe has been a credit to his province and his country throughout his long career, more especially in international games, I move, seconded by the hon. member for Shefford (Mr. Lapierre):

That this House pay tribute and warmly congratulate Mr. Gordie Howe, one of the greatest hockey players of all times, for his exceptional contribution to our national sport over 32 years.

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

Some hon. Members: Agreed.

Madam Speaker: It is moved by the hon. member for Sherbrooke (Mr. Pelletier), seconded by the hon. member for Shefford (Mr. Lapierre):

That this House pay tribute and warmly congratulate Mr. Gordie Howe, one of the greatest hockey players of all times, for his exceptional contribution to our national sport over 32 years.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[English]

HUMAN RIGHTS

BREACH OF UNITED NATIONS COVENANT—REFERENCE TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact the United Nations Human Rights Committee has received communications made on behalf of a number of inmates that Canada has breached article 15 of the United Nations Covenant on Civil and Political Rights, to which Canada is a signatory, in denying early release to prisoners and parolees with street time served on parole prior to October 15, 1977, and that the Solicitor General (Mr. Kaplan) stated that "should any member of Parliament be

willing to raise the question in the House under Standing Order 43, the government would have no objection to debating the issue", I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence), and not opposed by the government House leader:

That the subject matter of the communications pending before the United Nations Human Rights Committee be referred to the Standing Committee on Justice and Legal Affairs for a recommendation as to the appropriate response to these communications.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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BROADCASTING ACT

HEARINGS BEFORE CRTC—COMMITTEE STUDY OF POSSIBLE BREACH OF LEGISLATION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise under the provisions of Standing Order 43. The CRTC has an established precedent of not requiring further public hearings for licence applicants who have been granted a provisional licence.

In view of the case of Family Radio of Vancouver, British Columbia, the quasi-judicial body has not only required an appearance before two further public hearings, but has even permitted a negative intervention after the granting of provisional licence, a break with its own operating policy. Therefore, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That the CRTC be called before the Standing Committee on Culture and Communications to explain this action which has jeopardized the objectivity of its quasi-judicial status, and to see whether the commission is indeed in breach of the Broadcasting Act.

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

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

INQUIRY WHETHER GOVERNMENT CONSIDERING HOLDING NATIONAL REFERENDUM—DISCUSSION WITH PREMIERS

Right Hon. Joe Clark (Leader of the Opposition): Thank you, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Clark: I accept that applause on my side of the House, Madam Speaker, as being an indication that my colleagues hope my forty-first year, which begins today, will be more totally satisfying than my fortieth year was.

Some hon. Members: Hear, hear!

Mr. Clark: I have a question for the Prime Minister, but before posing it let me take the opportunity of expressing my appreciation to the Prime Minister for starting the practice of consultation with leaders of other federal parties prior to a federal-provincial constitutional meeting.

Some hon. Members: Hear, hear!

Mr. Clark: One matter that was not discussed specifically in the conversations between the Prime Minister and myself yesterday was the possibility of a federal referendum. I raise the question now because there have been references to such device made by the hon. member for Labelle speaking, I believe, in his capacity as chairman of the Quebec Liberal caucus.

I wonder whether the Prime Minister could indicate to the House if the government is now considering legislation that would empower a national referendum.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to begin my reply by wishing the right hon. member many happy returns of the day.

Some hon. Members: Hear, hear!

Mr. Trudeau: In so far as our meeting yesterday is concerned, I am very happy it took place. I hope, indeed, that the practice will continue. The Leader of the Opposition was good enough to consult me on some matters when I was in his seat, and I am very happy to continue that practice.

In so far as his question is concerned, I am sorry we did not discuss it yesterday, because I would have been happy to have the views of the Leader of the Opposition.

An hon. Member: He asked for your view.

Mr. Trudeau: I understand that. The view of the government is that this matter is not being considered by the government at this time, but the House will remember that we had a referendum bill which would have been supported, with some modification, by the opposition party a couple of years ago. I am not saying the matter is discarded forever, but I am saying we are not considering such a move at this time.

Mr. Clark: Madam Speaker, I wonder whether the Prime Minister would take the opportunity to confirm publicly his interest, which we discussed yesterday, in working with other parties in the House of Commons to promote an appropriate reference for a resolution that would allow this whole federal Parliament to discuss questions relating to the renewal of Canadian federalism and the development of constitutional change.

Mr. Trudeau: Yes, Madam Speaker, I would be very interested in having a resolution which all parties in this House could support and which would bring us somewhat closer to the moment when we could have a truly Canadian constitution satisfying all parts of the country.

I am not in a position yet, not having met the premiers, to say whether this should be in the form of a resolution or any other form of motion or debate. I have taken, as a position, that before meeting the premiers—I told the leaders of the opposition parties this yesterday—I would not want to solidify my position in any direction because I want to hear their views. But certainly I would hope that anything which is discussed on Monday with the premiers would not preclude—on the contrary—that we could come to the House of Commons for some, hopefully, universal support for a course to be determined.

Mr. Clark: Madam Speaker, I wonder if the Prime Minister would indicate his agreement with my view that, barring some extraordinary position of the premiers, it would be useful for this Parliament to have the opportunity to debate those questions before we rise for the summer recess.

● (1420)

Mr. Trudeau: Madam Speaker, at the present time that is my view. Subject to anything which might arise in the meeting with the premiers, and subject to the views of the Leader of the New Democratic Party, I would hope that before we recess for the summer we can debate this matter. I would go further and hope that we can take some action, but of course that will depend on what the premiers are prepared to consider and to say on Monday.

As far as we on this side are concerned, we see the matter as a very urgent one and we would like to see more than debate; we would like to arrive at a resolution of at least some of the constitutional matters.

FIRST MINISTERS' MEETING—PROPOSALS FROM PROVINCES

Hon. Jake Epp (Provencher): Madam Speaker, I direct my question to the right hon. Prime Minister. Has the Prime Minister received any specific proposals from the provinces in preparation for the June 9 first ministers' meeting? Has he, on behalf of the federal government, given specific proposals to the province, or has the communication to date been primarily concentrated in the letters which were exchanged between the Prime Minister and the premiers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, neither the Minister of Justice nor myself have received any concrete proposals from the provinces beyond the verbal exchanges which took place when the Minister of Justice met with them. I have had no further communications from the provinces beyond the letter which was tabled in the House.

Mr. Epp: Madam Speaker, in view of the interest across the country and, of course, resident here in the House on participation in constitutional talks, could the Prime Minister indicate whether after the meeting of June 9 he would be willing to make a report to the House, either of motions or by whatever mechanism he finds suitable, to report on the progress of that meeting, rather than having to rely on eliciting the information only through question period?

Mr. Trudeau: Madam Speaker, I would be happy to make a statement on motions on the results of the June 9 meeting, shall we say in the several days following that meeting. Of course, if it appears that the kind of debate referred to by the Leader of the Opposition is to come reasonably soon after June 9, it might be convenient to wait for that debate before I make any statement. Assuming we are given a couple of days to decide on that latter matter, if it appears that debate is not reasonably imminent then I will be happy to make a statement on motions.

FEDERAL POSITION ON CONSTITUTIONAL CHANGE—DATE FOR ACHIEVEMENT OF NEW CONSTITUTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. According to the chairman of the Quebec caucus of the Liberal party, as he is quoted in today's press, Quebec MPs of the Liberal party plan to spend the summer—to use his words—"to sell" the federal position on constitutional change.

Considering that the only position the Prime Minister has taken so far which seems to be eminently sensible, going into a meeting of the first ministers, is a commitment to a charter of rights, would the Prime Minister tell the House if anything other than persuading Quebeckers as to the desirability of a charter of rights lies behind that statement by the chairman of the caucus, or is something else intended?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I attended part of that caucus meeting yesterday. There are several subjects on which the caucus would like to see the Canadian Constitution improved and federalism renewed. The hon. member mentions a charter of fundamental rights. The caucus seemed very interested, also, in entrenching linguistic rights. These were opinions which were expressed: there was no resolution, to my knowledge, of the caucus.

The significance of the whole debate, as far as I was able to perceive it, is that our Quebec members, having participated very valiantly in the recent referendum in Quebec, are anxious to see that this government and this Parliament live up to the undertaking which we all made in our province, that there would be renewed federalism and that it would come quickly.

Some hon. Members: Hear, hear!

● (1425)

Mr. Broadbent: Mr. Speaker, following the conversation that I had with the Prime Minister yesterday on this particular matter of constitutional change, I should like to ask if he is prepared at least to indicate the desirability—keeping in mind that he has to obtain agreement from the premiers when they

meet—of providing a forum in the constitutional change process for the direct presentation of views by the people of the Northwest Territories, the Yukon and the native peoples, as opposed to working simply and exclusively through the federal government?

[*Translation*]

Mr. Trudeau: Madam Speaker, the Leader of the New Democratic Party will undoubtedly recall that in February 1979 we, the federal government, had put on the agenda of the constitutional conference an item along the lines the hon. member referred to, that is, we had suggested that Indian and Inuit spokesmen present briefs directly to the constitutional assembly. On that latter point we do not differ.

As to the participation of the Yukon and the Northwest Territories, I repeat what I said about the position I took last week and the week before. Those, are in a sense, different levels of government. I remind the House that many times we receive representations from mayors and municipalities, which also represent another level of government, and that those representatives also wanted to take part in the constitutional talks.

With regard to those two catègories—other levels of government—I shall be very happy to raise the matter with the premiers. I do not promise that it will be done on Monday. I remind the House that the matter of broadening the debate through increased participation was discussed between the leader of the New Democratic Party and myself and that I even suggested to him that at one point we might be moving toward such a solution. But I do not think that at this stage I must invite representatives of the Yukon and the Northwest Territories to attend this conference, unless the premiers and I decide to broaden the participation.

[*English*]

Mr. Broadbent: A further supplementary question. I certainly hope, Madam Speaker, that the Prime Minister is successful in what I take to be his undertaking to try to get a commitment from the premiers to widen participation.

My final question to the Prime Minister is this. Considering the need for speedy constitutional change, does he consider that as an outside date it would be desirable for us, as a Parliament, to agree that we should have a new constitution established in Canada by July 1, 1981?

Mr. Trudeau: Madam Speaker, the hon. Leader of the New Democratic Party probably noticed that this side of the House gave support to his earlier motion to that effect. I would only want to modify it. While I would first welcome that rapid date—that deadline set by the New Democratic Party—and say that we are indeed grateful that at least our two parties are of the view it is that urgent, all I would add—I told the hon. Leader of the Opposition this yesterday in our talks—is that if we can do it sooner, in total or in part, that would be our preference. We on this side feel there is a great deal of urgency for a variety of reasons.

Oral Questions

COMMUNICATIONS

EARTH STATION ON GROUNDS OF BRITISH COLUMBIA LEGISLATURE—GOVERNMENT POSITION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Communications. He will know that, despite his blandishments on Tuesday, the licence given to the British Columbia government for the earth station located on the lawn of the B.C. legislature does not confer the right to receive American programs from American satellites and that, despite that fact, the British Columbia government is currently receiving signals from American satellites.

Does the minister accept the argument made by the British Columbia government that the earth station on the lawn of their legislature is not covered by federal legislation? If he does not accept that argument, what action does he propose to take?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, on this question I should like to point out two things to the hon. member. First of all, as far as the legality or illegality of the earth receiving station is concerned, I have asked for a full report and advice from the legal officers of my department.

I believe, Madam Speaker, that this goes beyond the question of legality or illegality. As far as I am concerned, an undertaking was given to this government by the government of British Columbia—particularly, by its minister responsible for science, universities and communications—to the effect that the satellite would be used exclusively to receive CBC commercial signals. This undertaking has not been followed by that government. In that sense I find it extremely disturbing that a minister of the Crown of a provincial government would put himself in the position of not living up to his word.

• (1430)

I would like to point out that we have some ten to twelve ongoing possible projects with the B.C. government, in particular with that minister, and I would like to know whether or not this government can count on that minister living up to his word.

Mr. Andre: Take him into the constitutional talks, too.

Mr. Beatty: Madam Speaker, I want to ask the minister a very direct question. Is he threatening the B.C. government at the present time that if, in the opinion of the Minister of Communications of the federal government, the B.C. government does not live up to what he believes is an undertaking that it made, the federal government will not participate in these other joint agreements with the B.C. government?

Further, on Tuesday the minister went out of his way to studiously avoid giving the assurance to Canadians living in northern, remote and rural areas that prosecutions would not be launched against them because they have set up earth stations to give themselves the same freedom of choice in programming as is freely available to Canadians living in

southern Canada. May I also ask the minister whether he is prepared to give that assurance to Canadians in that area now, that Ottawa will not intercede to ensure that that discrimination continues?

Mr. Fox: Madam Speaker, it has always been stated quite clearly that our main concern, or our main area of interest was in earth receiving stations that were used to rebroadcast programs received from satellites. We have always indicated that as far as the domestic use of these satellites for home personal purposes was concerned, it was not a matter of general concern to us.

The hon. member is mixing up two very different questions and is trying to identify or to render equal the two problems involved, one which concerns home receiving satellite stations, and satellite stations which are used to rebroadcast programs. We have always indicated quite clearly that the only earth satellite stations that we are looking at for prosecution purposes at the moment are earth satellite stations that were being used for rebroadcast purposes and that were, at the same time, interfering with other licensed cable operations, or interfering in general with the management of the spectrum.

Mr. Beatty: Madam Speaker, the House will note that the minister did not answer the question as it related to the B.C. government and whether the minister intended to withdraw from agreements with B.C.

The minister knows full well that in dozens of communities in northern and remote areas, whole communities have banded together to put up earth stations to ensure that the whole of those communities will be able to receive freedom of choice in programming. Will the minister now remove his threat to launch prosecutions against Canadians living in rural and remote areas of Canada where communities have banded together to give themselves that freedom of choice?

Some hon. Members: Hear, hear!

Mr. Fox: Madam Speaker, the hon. member is trying to create confrontation where none exists.

Mr. Beatty: I did not threaten to prosecute anyone.

Mr. Fox: I have gone out of my way over the past week trying not to build up the matter with the B.C. government into a question of a federal-provincial confrontation.

Mr. Beatty: I did not threaten to prosecute anyone.

Mr. Fox: If the hon. member will let me answer, he may learn something.

Some hon. Members: Hear, hear!

An hon. Member: Arrogance.

An hon. Member: Listen, Joe Clark.

Mr. Fox: I fully expect that the minister of communications for the province of British Columbia will want to conform immediately to the conditions set out in his licence. The licence was issued according to the terms that he requested, and I expect him to live up to those terms.

The hon. member is once again raising the question of possible prosecutions against communities in the north. The hon. member knows full well, because he was in the House this week when he asked the same question, that it is not our intention at the moment—

Mr. Clark: At the moment.

Mr. Fox: —to prosecute those communities. We have always indicated quite clearly, Madam Speaker, that it was our intention to await the outcome of the hearings of the CRTC, as was the position of the previous government, on the question of extension of television services to the north. From that point on, the CRTC would consider applications for licences for the north, and we would hope to bring an end to this problem by addressing the root of the problem and not simply by bringing up confrontation as the hon. member suggests.

Mr. Beatty: Don't make threats next time, Francis.

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ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION—ABILITY OF INCO TO MEET PROVISIONS OF CONTROL ORDER

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. In view of the fact that the minister and his department were a party to the Ontario government's recent pollution control order aimed at limiting acid rain-producing emissions from Inco, and in view of the fact that last night the president of Inco Metals announced that his company was unable to meet the provisions of that control order for technical reasons, does the minister give any credence to the statement by the president of Inco and, if not, what steps is he and his department going to be taking, presumably with the Ontario government, to ensure that Inco will reduce sulphur dioxide emissions from its Copper Cliff smelter to 1,950 tons a day by 1983, in accordance with the terms of the control order that I have mentioned?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I think I have seen one press report giving information which the hon. member has just given to the House. I have not seen a transcript nor have I seen a full account of those remarks. I have no reason to believe that the order cannot be met.

I know that there is concern on the part of the company about their ability to do so , but at the present time I do not have any information which would change the view I have previously expressed, which is that I believe the company will be able to meet those objectives.

Mr. McMillan: Madam Speaker, I have a supplementary for the Minister of the Environment. Given that the minister himself and the leader of the Liberal party in Ontario quoted quite extensively from what seemed to be private, confidential studies from the federal Department of the Environment arguing that Inco can, in fact, adhere to the provisions of the control order and, indeed, can go well beyond that in terms of lowering its acid rain producing emissions, will the minister table such studies in this House so that we, as members of Parliament, and the public at large can assess the validity of the statements made by people like the president of Inco, that they cannot adhere to those pollution control standards?

Mr. Roberts: Madam Speaker, the view that we expressed was that within four or five years we believe that Inco would be able to bring down the level of emissions considerably below those indicated in the first two stages of the control order.

We have announced that we will be prepared to make available the study on which that estimation was based. However, it would have to be done in a way in which certain names and certain aspects of the information, which were given to us on a confidential basis, were removed. But I have already indicated that the substance of the report would be made available to those who wish to see it.

* * *

INDUSTRY

REBATE PROGRAM FOR CANADIAN PURCHASERS OF AUTOMOBILES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. I am going to ask it very quietly, so I do not offend him.

The minister no doubt noticed that there has been a dramatic downturn in the sale of North American-built vehicles in Canada, and a dramatic downturn in the sale of Canadian-built vehicles in Canada. When can we expect to see the introduction in Canada of a rebate program similar to the one introduced by the Big Three in the United States, in order to assist not only the workers but the dealers and the consumers in this country?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the rebates mentioned by my hon. friend have been as a result of reaction by the motor vehicle manufacturers in the United States to market conditions there. I will certainly be checking with them urgently to see whether they are contemplating similar action here.

An hon. Member: You said that two weeks ago.

Mr. Gray: Certainly, one would want to offer to Canadian consumers opportunities similar to those available in the United States where the market conditions are also similar.

Mr. Deans: Madam Speaker, if I understood the minister correctly, he said that he would check into it to see.

An hon. Member: Two weeks ago he said that.

Mr. Deans: I am sure the minister is not sufficiently absent-minded not to recall that he said the same thing on May 16. Has the minister checked? What was the answer? And when can we expect to see the rebates?

Some hon. Members: Hear, hear!

Mr. Gray: Madam Speaker, I think my hon. friend has demonstrated that he is the absent-minded one, because his question related to Chrysler Corporation.

Mr. Deans: I did not ask the question; the hon. member for Churchill did.

Mr. Gray: My hon. friend says the question was from the hon. member for Churchill. I knew there were a lot of divisions in that party, but I did not realize they were so severe that one member does not take credit for something asked by another one.

Some hon. Members: Oh, oh!

● (1440)

Mr. Gray: Madam Speaker, my hon. friend may already be planning to launch a leadership campaign of the type he launched unsuccessfully at the provincial level, and which caused him to abandon provincial politics and come to the federal scene. Perhaps the municipal scene will be next for him.

Some hon. Members: Hear, hear!

Mr. Gray: We did make inquiries of Chrysler Corporation. Their response was that market conditions at that time had not justified a similar response here. If my hon. friend is in agreement that the market situation here has deteriorated to an equivalent level to that in the United States, I am sure he will be happy to join with me in adding to the force of my representations with respect to all the automotive companies here.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO CONSTRUCTION OF TRANSMITTER IN CHAPLEAU, ONT.

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, my question is for the Secretary of State and Minister of Communications, responsible as he is for the Canadian Broad-

casting Corporation. Given the fact that the corporation persists in believing that the construction of a transmitter in Chapleau cannot proceed because winter is not over yet, could the minister inform the corporation that the spring thaw did take place in Chapleau in late April, and could he assure the residents of Chapleau that work is going to resume very shortly? Finally, could the minister tell the House when the CBC television programs will be aired in Chapleau?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question. I know that CBC programming in his area is an issue of utmost concern to him. He told me about it several times in recent weeks. I am glad to announce that according to information I received from the CBC, we are in a position today to state that the access road to the transmitter will be opened by June 9 at the latest. The corporation also informed me that, starting June 4, Bell Canada will be able to instal the lines necessary for broadcasting television programs and that CBC expects to start broadcasting TV programs in Chapleau very soon after August 1, 1980.

* * *

[*English*]

AIRPORTS

MONITORING OF X-RAY MACHINES TO ENSURE NO DANGER FROM RADIATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, perhaps this question and answer will be a little more spontaneous.

A few days ago I had a lengthy discussion with several security personnel at a major Canadian airport. They voiced very real concern about standing for prolonged periods of time beside the x-ray machines that examine hand luggage.

I want to ask the Minister of Transport if he is aware of these anxieties by his department's security personnel, what is the minister doing to monitor these perpetually operational x-ray machines, and can he assure his own people and the travelling public that there is absolutely no danger from a build-up of radiation when in the immediate vicinity of these potentially dangerous devices?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I read of a certain case in the paper having to do with this. My inquiry revealed that it was a case of a particular attendant who had been overzealous about controlling the passengers. I will inquire to see if there are more issues of this kind, and report accordingly.

Mr. Scott (Hamilton-Wentworth): Will the minister at least instruct his department's security personnel to wear docimeters, which are required by the military who work in a radiation environment, in order to detect the slightest leakage or minutest build-up of radiation?

Mr. Pepin: I will make such an inquiry, Madam Speaker.

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POST OFFICE

INTRODUCTION OF STAMP TO COMMEMORATE MOSCOW OLYMPICS

Mr. Otto Jelinek (Halton): Madam Speaker, I have a short question for the Postmaster General. Could the minister confirm or deny whether or not the Post Office is in the process of introducing a new 35-cent Canadian stamp commemorating the Moscow Olympics? "Yes" or "No" will suffice.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to answer the question put by the hon. member. The former Conservative government had intended to introduce a new stamp commemorating the Moscow Olympics on July 4, 1980. Since Soviet troops have not withdrawn from Afghanistan yet, it is quite possible that the Post Office will decide very soon to drop the introduction of this stamp.

[*English*]

Mr. Jelinek: My supplementary is this. When this government took the decision on that stamp, the Soviet Union had not yet invaded Afghanistan. As of yesterday, Madam Speaker—

Some hon. Members: Question!

Mr. Jelinek: They get very nervous and edgy over there when they hear the truth. As of yesterday, the Post Office confirmed that indeed a stamp commemorating the Olympic Games in Moscow is to be introduced on July 4.

My question to the Postmaster General is this. Why, since the invasion of Afghanistan by the Soviet Union, has not the government taken the necessary action to remove that stamp from production?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Ouellet: Madam Speaker, the former government did not take the necessary action to withdraw that stamp from production after the invasion of Afghanistan by Soviet troops. Further, I can assure members of the House that no final decision has been taken and the hon. member cannot say that the stamp will be issued on July 4. I pointed out to him, in answer to his first question, that a decision would be taken in the coming days.

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SEIZURE OF TELEPHONE RECORDS—INVESTIGATION BY McDONALD COMMISSION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to direct a question to the Solicitor General. The CBC has revealed that in the districts of Halifax, Dartmouth and Sydney over the course of the past two to three years approximately 99 warrants were issued with respect to the seizure of telephone records, including the records of the CBC. In the information forming the basis for those warrants, at least 45 out of the 99 did not contain any basis upon which the warrants should be issued.

Has the Solicitor General examined that matter through the RCM Police? Has he given directions with respect to the policies of the RCM Police which will ensure that they will be more forthcoming as to the basis upon which they apply for these search warrants? Is the McDonald commission being seized of this particular situation, so that a full investigation can be made of the practice of the RCMP in this regard?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have the information which appeared on the CBC television program, but I do not yet have a full report from the RCMP about it. I have examined the operational policy manual which applies to the information required for obtaining a warrant. I am satisfied with the operational policy which is in place, but I am not yet certain whether the policy was complied with in these cases.

The provincial attorneys general have jurisdiction to examine such matters that take place in their own province. Of course, we are prepared to co-operate fully with them. As to the McDonald commission, that independent commission will make its own decision, I am sure, whether to review these matters.

Mr. Hnatyshyn: I was going to direct my supplementary question to the Minister of Justice, but he is not in his place at the present time. Therefore, I will direct it to the Solicitor General.

After this investigation, will he report to the House, not only whether a practice has or has not been established to put forward the basis upon which these applications are made on the information of a sworn statement, but if he finds that is not the case will he institute a policy by which that is required in the case of RCMP activities? Also, will he assure us that this practice is not widespread, that it does not apply also to Chargex or Visa investigations, or involve the general public who are very concerned with respect to their privacy?

● (1450)

Finally, is the Solicitor General in fact considering bringing forward limitations on writs of assistance, which are open-ended writs available now to law enforcement agencies in this country, the undertaking of the previous government being to bring forward legislation to do something to regulate that particular search warrant?

Mr. Kaplan: Madam Speaker, so far as writs of assistance are concerned, there is a moratorium in effect on their issuance. No position paper has yet been taken to cabinet on that question, so it would be premature to indicate what steps the government will be taking except that the moratorium will be continued until some further decision is taken.

On the question of the policy which applies to the issuance of warrants, as I indicated, I spent time this morning reviewing that operational policy and I am satisfied with it. The question I am not certain about yet is whether the policy was complied with in these particular cases. I am looking into that, and I will be prepared to answer questions about it as soon as I am informed about it.

Mr. Hnatyshyn: Report back.

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ENERGY

OIL REFINERY TAX—GOVERNMENT INTENTIONS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Both before and during the last election campaign he and his party campaigned against the infamous 18 cents excise tax increase proposal of the Clark government. He said at the time that it was regressive and that it would have a bad effect on the economy.

I understand now that the minister has proposed to Alberta, in negotiations with that province, that there be an oil refinery tax which, I am sure the minister must know, would be just as regressive, or even worse for the consumer. Could the minister confirm that he has proposed such a tax? Could he confirm that it is just as regressive as the previous tax, and even more so? If that is so, why has he done this?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as I have already indicated, the government has various alternatives in mind regarding a possible oil price increase.

In his question, the hon. member indicates that this is one of the alternatives. After we hopefully reach an agreement with the producing provinces, my hon. colleague can come to any conclusion he pleases him about the agreement.

[*English*]

Mr. Waddell: Madam Speaker, perhaps the minister has forgotten he promised the consumers of Canada that they would have lower oil prices than those which the Conservatives proposed. It sounds like another broken promise.

Let me ask the minister about one of his other promises. Can the minister tell the House why, during the election campaign, he and his party promised that they would maintain

the compensation fund to offset the cost of imported oil to the Atlantic provinces, and could he tell the House why he no longer feels obliged to keep this promise?

Mr. Lalonde: On the first point, Madam Speaker, the government has indeed made a commitment that the cost of our proposals on oil pricing will be lower than it would have been under the Conservative budget. That is a commitment we intend to honour in all respects. As a matter of fact, already this year consumers have been saved about $2.8 billion in additional taxes which the previous government would have had them pay.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Short-term pain for long-term gain.

Mr. Blenkarn: Borrow the money instead.

[*Translation*]

Mr. Lalonde: I note, Madam Speaker, that truth is painful to hear for the Progressive Conservatives. What can we do?

As for the second part of the hon. member's question, I hope that, in view of his experience in the field of energy, he will avoid spreading the false interpretation inherent in his question.

[*English*]

The question is not that the oil compensation fund would be reduced at the expense of the maritime provinces. As my hon. colleague knows, we have had one price in Canada since 1974 for all of Canada and we have given every guarantee—and we maintain that guarantee—that there will remain in this country a one-price system and that the Atlantic provinces are not going to be in any worse situation than any other part of Canada. That is government policy, that has been government policy since 1974, and it is the one we intend to maintain. So the Atlantic provinces are not going to suffer from the position adopted by this government. They will be in exactly the same position as the rest of the country.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

PROPOSAL FOR INSTALLATION OF SYNCROLIFT IN ST. JOHN'S DOCKYARD

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of his efforts with reference to Chrysler in the Windsor area, is he now in a position to go forward with the proposal in connection with the dockyard in St. John's for the installation of a syncrolift, which will cost $21 million and for which there are funds in the estimates this year to go forward, creating 130 new permanent jobs and maintaining the present 330 jobs at that dockyard? When will the minister make a decision on that?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are pursuing this actively. My recollection is that the project as originally proposed was found to be in a form in which the cost seemed to be above the amounts originally allocated, so it is being actively reviewed to see if we can make a decision which will be satisfactory to the area and the demands on the public purse.

Mr. Crosbie: Madam Speaker, the Minister of National Revenue has intimated in Newfoundland that the government might have to scrap the $2.5 million in the estimates for this project for this year, so it can be spent on expanding airport facilities in his district or for some other project like that which might have higher priority.

Could the minister assure me that funds dedicated to economic development projects, no matter in whose district they are—opposition or government—if the scheme is sensible, feasible and economic, as the minister's officials assure me this one is, will be used for that purpose and not devoted to pump-priming or patronage purposes in other districts just because they happen to be government districts? Would he assure me that he will see that they are devoted to the purpose for which they are in the estimates?

Mr. Gray: Madam Speaker, I would like to confirm that this government is committed to the balanced development of every part of Canada, including the province of Newfoundland.

* * *

POST OFFICE

DEPLORABLE MAIL CONDITIONS IN CALGARY—STEPS TO IMPROVE

Mr. Bill Wright (Calgary North): Madam Speaker, my question is to the Postmaster General and it is with regard to the deplorable mail conditions in Calgary North. There are approximately 4,000 homes in Calgary North without any type of mail delivery at all. The people there have to drive up to ten miles to get their mail from a letter depot. This amounts to 50,000 barrels of crude oil a year, or $2 million based on the price at which we are buying oil from Mexico.

Can the minister tell this House why he condones this type of waste, and why he will not tell the Post Office immediately to commence mail delivery in these areas in Calgary North, especially since it would only cost $200,000 a year—

Madam Speaker: Order, please.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I want to assure the hon. member that this question is under active discussion between officials of my department and the letter carrier unions. Indeed, there is the suggestion of the establishment of a certain number of extra positions to carry out delivery services. Within the actual budget and the person allocations which we have, we are trying to find ways to improve letter delivery services in Calgary.

SETTLEMENT WITH CUPW—COST TO GOVERNMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is to the President of the Treasury Board. It arises from a press release put out by him and the Postmaster General yesterday in which the following is stated:

Mr. Ouellet said the over-all wage and benefits package represents a 10.43 per cent increase in expenditures over the life of the contract.

That is, the CUPW contract settled between the Treasury Board and that union. Unfortunately, this morning the Postmaster General's mind went blank when I asked him what was the dollar amount represented by the 10.43 per cent. He suggested that the President of the Treasury Board could give me that figure. Would the President of the Treasury Board give me the figure?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I welcome this opportunity. I also received a press release, issued by the hon. member, and it would appear that his mind went blank when he wrote it.

Some hon. Members: Hear, hear!

Mr. Johnston: I am surprised that he has the courage to rise from his seat and put a question to me today after issuing such a document, which is a complete distortion of the facts of this settlement. I can only suggest that he does not understand how these wage settlements are calculated, or else he had some help with his arithmetic from the opposition House leader.

● (1500)

The specific answer to the hon. gentleman's question, which I gave yesterday, is that the cost of the settlement is $36,068,-232 that is inclusive of COLA, cost of living index adjustment and improved fringe benefits, and it is calculated on the base of a straight-time payroll plus COLA, which is $345,829,659.

Mr. Stevens: My supplementary question to the President of the Treasury Board is this. Would the President of the Treasury Board indicate why—if, in fact, the extra cost is $36,068,-000—Treasury Board's last suggested mandate to the Post Office, certainly when we were in office, shows the maximum cost to be $26,100,000, and that anything over that would require a larger Post Office budget? Where did the $10 million get left on the table during the negotiations, and why?

Mr. Johnston: Once again, Madam Speaker, the hon. gentleman was my predecessor in the Treasury Board, and apparently he does not understand his own estimates, because the amount included in the estimates for the settlement was not $26 million.

[*Translation*]

PRIVILEGE

MR. HNATYSHYN—STATEMENT MADE BY POSTMASTER GENERAL DURING QUESTION PERIOD—RULING BY MADAM SPEAKER

Madam Speaker: Yesterday, the hon. member for Saskatoon West (Mr. Hnatyshyn) rose on a question of privilege concerning certain words used during question period by the hon. Postmaster General (Mr. Ouellet). As I stated yesterday, hon. members are entirely free to choose the procedure they prefer in this House, as long as they abide by the rules, whether they proceed under Standing Order 43, by asking oral questions or by using any other procedure. I would add that, of course, only the Chair can determine whether a motion is in order and whether the procedure used in the House is appropriate.

As for the question raised by the hon. member for Saskatoon West, I must say that this does not constitute a question of privilege, but rather a question of order and decorum. Standing Order 12 stipulates that it is the duty of the Speaker to preserve order and decorum in the House. This is why I reserved the right to examine the official report to determine whether the hon. Postmaster General had indeed used the words suggested by some members in this House. I have therefore checked what was said, and I must say that I have not found anything in the words that he used that might be considered as strictly unparliamentary even though the hon. minister went very far in what is allowed. I should remind him and other members that that type of intervention could quite easily lead to a lack of decorum and order in the House. I imagine that this is not exactly the image we want to project of the House of Commons.

However, it is interesting to note that Bourinot, on page 363 of its fourth edition, considers that it is not acceptable to say of another member that he lacks courage. On the other hand, on page 11 of the fifth edition of Beauchesne it is stated that the term "coward" has been judged to be totally parliamentary. Of course, this word was not used by the minister, but some members suggested that he used an equivalent expression.

I should remind the House that these liberties taken with language occur on both sides of the House. For instance, yesterday, the hon. member for Vancouver-Kingsway (Mr. Waddell) also used certain terms which might not be quite acceptable in describing the comments made previously in the House by the hon. Postmaster General. I therefore take the opportunity afforded by this question of privilege to appeal to the spirit of moderation which should obviously prevail in all proceedings of the House.

[*English*]

THE CONSTITUTION

REQUEST FOR CONSULTATION AMONG HOUSE LEADERS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, before I ask the usual House business question, I want to deal with the matter that arose during the course of the question period, an exchange between the Leader of the Opposition (Mr. Clark) and the Prime Minister (Mr. Trudeau) involving the participation by this Parliament in the process of constitutional renewal. I wonder if, given the willingness expressed to him, as House leader of the opposition, to consult with respect to the framing and the timing, and the process in that debate, the President of the Privy Council (Mr. Pinard) would also undertake—given the importance of the subject matter, and the importance of this Parliament being involved in this process of consideration of our future—to consult with the Prime Minister so that he and I and my colleague from Winnipeg North Centre (Mr. Knowles) may sit down rather soon to decide this process?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): The Prime Minister (Mr. Trudeau) has mentioned that Parliament will certainly be consulted but of course I intend to consult with the Prime Minister as well, Madam Speaker, and following next Monday's meeting with the provincial premiers we will be able to determine how and when Parliament will be consulted. Therefore, all I can say to my colleague for the time being is that I intend, obviously, to respect the opinion of the right hon. Prime Minister. As to how this will be done we will see later.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, thank you very much. I will say, while the Prime Minister is in the House, that we on this side of the House appreciated very much his answer with respect to the matter of consultation with Parliament, and I appreciate, as well, the answer given to us today by the President of the Privy Council, which is the appropriate one, I think, in the circumstances.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, if I could go on to some more mundane matters, I wonder if the President of the Privy Council could give us some indication of his plans for the rest of this week and into next week, as far as he can see.

Mr. Pinard: I cannot see very far, Madam Speaker, but starting today, we will try to end the second reading stage of Bill C-28, the Fisheries Improvement Loans Act; and I understand that there is a good chance that we will also give second reading to Bill C-19, the Employment Tax Credit Act.

I committed myself to my colleagues this morning that if we were to end the second reading stage of Bill C-19 before five o'clock today, tonight we would switch to Bill C-3, the Unemployment Insurance Act amendment. Tomorrow we will deal with the report stages, and hopefully, the third reading stages of Bills C-17, C-27 and C-21, in that order.

[*Translation*]

As to the business for next week, I can confirm to my colleagues that Tuesday will be an opposition day and I would like to tell them also that depending on the business the House will get through today and tomorrow, we would also like to be able to complete the Committee of the Whole stage of the bill concerning the employment tax credit; we would also like to get through second reading of the amendments to the Unemployment Insurance Act next week and toward the middle of the week, the second reading of the bill to provide supplementary borrowing authority for the fiscal year 1980-81. On the whole, Madam Speaker, this is the work schedule for the rest of this week and next week.

[*English*]

Mr. Baker (Nepean-Carleton): There is one other matter. There was another exchange involving, I believe, the Leader of the Opposition the other day with respect to the special committee of the House which we now style as a parliamentary task force dealing with the national trading corporation. The questions and the answers given last week indicated there was some consultation to take place. Has that consultation taken place as yet, and can the government House leader indicate if and when we might be seeing a reference, on the understanding, of course, that our undertaking with respect to no debate on such a reference would apply as it did on the others?

Mr. Pinard: On that understanding, I can confirm to my colleague that consultations have been held successfully and I should be in a position to put a motion in front of the House next week dealing with that parliamentary task force. Before seeking unanimous consent, I will show my colleagues the terms of reference.

● (1510)

Mr. Baker (Nepean-Carleton): Thank you.

Mr. Knowles: Madam Speaker, first may I confirm the arrangement that has been made among us, namely, that if the terms of reference for parliamentary task force No. 6 are agreed to by the representatives of the parties, we see no need to debate the motion setting up that task force. We would like the committee to get to work.

It is becoming rather obvious that certain legislation some of us thought would be in the Speech from the Throne, or that we would have in and passed by now, is still having to be fought for in cabinet. As the hon. minister will realize, I refer to the legislation respecting veterans, having to do with the widows of

disabled veterans, the amount of the basic rate of the disability pension, and the need for some increase in the war veterans allowance, particularly for veterans who are below the age of 65.

Will the President of the Privy Council, with the weight and the clout of his position, get on the side of the Minister of Veterans Affairs in cabinet in an effort to get this legislation before the House very soon? Veterans just do not understand why they have to wait so long for this urgent legislation. I hope he is now in a position to tell us that it will be in the House in time for us to pass it before any summer recess.

Mr. Pinard: Madam Speaker, it all depends on when there will be a summer recess, if any. I agree with the hon. member that the subjects he just talked about are very important and are priorities on this side. I witnessed his questions to the hon. minister during the week, and I can assure him that those subject matters are under consideration.

As far as the legislation itself is concerned, surely the hon. member will know that there are many items on the order paper which must be dealt with before the summer recess. I hope we are in a position, with the collaboration and good will of both sides of the House, to get through the backlog and at the same time deal with the very important issues raised by the hon. member for Winnipeg North Centre.

Mr. Knowles: Madam Speaker, as a supplementary question, may I ask something of the minister. I do so because I would not want my suggestion that this should be done before the summer recess to end in nothing because there is no summer recess. We will work that out. I hope something can be done this month with a view to its being passed certainly before the end of July.

While the government is considering this matter, may I point out that certain legislation before the House last December had an effective date of April 1, 1980. I hope the government will consider making any legislation for veterans retroactive to that date.

Mr. Pinard: I will take the remarks of my hon. colleague under serious consideration.

ROUTINE PROCEEDINGS

[*English*]

PETITION

LOCATION OF PARKS CANADA REGIONAL OFFICE

Madam Speaker: I have the honour to inform the House that the Clerk Assistant of the House has laid upon the table the sixth report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Peterborough (Mr. Domm) and finds that it meets the requirements of the Standing Orders as to form.

[*Translation*]

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of Transport) moved that Bill S-6 (from the Senate), to amend the Two-Price Wheat Act, be read the first time.

Motion agreed to and bill read the first time.

* * *

INTERNATIONAL INCOME TAX CONVENTIONS ACT

MEASURE RESPECTING DOUBLE TAXATION

Hon. Yvon Pinard (for the Minister of State, Finance) moved that Bill S-2, to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Roumania and Canada and the Republic of Indonesia and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax, be read the first time.

Motion agreed to and bill read the first time.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 124, 217, 272, 361, 562, 677 and 867.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

NEW HORIZONS PROGRAM—LEEDS-GRENVILLE—AMOUNT OF GRANTS

Question No. 124—**Mr. Cossitt:**

Since its inception, what is a list of all grants made under the New Horizons Program to the former constituency of Leeds and the present constituency of Leeds-Grenville and what was the total of all money granted?

Hon. Monique Bégin (Minister of National Health and Welfare): List "A" lists all New Horizons Projects granted in the constituency of Leeds. List "B" lists all New Horizons Projects granted in the constituency of Leeds-Grenville and total of all money granted.

Order Paper Questions

List of New Horizons' projects granted in the constituency of Leeds, Ontario

Project No.	Name of Organization	$ Amount	
1972-1973	Nil		
1973-1974			
5-00414	The Hi-Neighbours, Smiths Falls	$ 1,164	
5-00463	Lyndhurst Senior Citizens, Lyndhurst	8,135	
5-00487	Gananoque Senior Citizens, Gananoque	3,994	
5-00661	South Crosby Senior Citizens' Friendship Club, Elgin	7,250	
5-00693	Althorpe and Bolingbroke Community Club, Maberly	9,819	
	Total		$ 30,362
1974-1975			
5-00856	Lansdowne & District Citizens, Lansdowne	$ 5,695	
5-00907	The Thousand Islands Social Club, Mallorytown	10,609	
5-00963	Kitley Senior Citizens Club # 677, Toledo	8,550	
5-01119	Seeleys Bay Senior Citizens' Club, Seeleys Bay	7,429	
5-01167	The Athenia Senior Citizens' Club, Athens	13,831	
	Total		$ 46,114
1975-1976			
5-01584	Senior Citizens Harmony Centre, Smiths Falls	$ 12,260	
5-01872	Brockville Senior Citizens Inc. #85, Brockville	19,610	
5-01919	Autumn Action Club, Brockville	2,140	
	Total		$ 34,010
1976-1977			
5-02283	Forget Me Not Club, Smiths Falls	$ 7,813	
2581	Community Senior Citizens, Chaffeys Locks	14,131	
2589	Hi Neighbours Club, Smith Falls	3,754	
	Total		$ 25,698
1977-1978			
5-02465	Beverly Senior Citizens Club 460, Delta	$ 9,669	
2594	Senior Citizens Forty-Sixers, Smiths Falls	5,457	
2607	South Crosby Township Senior Citizens Friendship Club, Elgin	5,290	
2723	Westport Senior Citizens, Westport	22,500	
2726	Lyndhurst Senior Citizens U.S.C.O. 390, Lyndhurst	7,815	
2863	Seeleys Bay Senior Citizens Club, Seeleys Bay	8,402	
3095	Friendship Club, Smiths Falls	5,085	
	Total		$ 64,218

List of New Horizons' projects granted in the constituency of Leeds-Grenville, Ontario

Project No.	Name of Organization	$ Amount	
1978-1979			
5-03225	Ontario Association of Superannuated Women Teachers, Athens	$ 1,200	
3381	Leeds China Painters, Elgin	9,088	
A3545	Gananoque Senior Citizens Club, Gananoque	5,583	
	Total		$ 15,871
1979-1980			
5-03479	McGuigan Cemetery Committee, Merrickville	$ 12,261	
3512	Collective Community Involvement (Gananoque) Group, Gananoque	21,010	
A3819	Westport Senior Citizens No. 135, Westport	5,665	
3915	Forfar Social Club, Portland	11,740	
3994	Pines Citizens Association, Kemptville	1,496	
A4114	Athenia Senior Citizens Club #712, Athens	2,843	
4132	Maple View Lodge Auxiliary, Athens	3,448	
A4174	Lansdowne and District Senior Citizens, Lansdowne	7,002	
4232	Riverview Apartments Senior Citizens, Gananoque	1,372	
4270	Zone 20 South-Leeds and Grenville, Brockville	1,543	
A4285	Thousand Islands Senior Citizens Social Club, Rockport	2,316	
	Total		$ 70,696

The total of all money granted to the former constituency of Leeds and the present Constituency of Leeds-Grenville is $286,969.00

MULTIPLE SCLEROSIS—CEREBRAL PALSY—AMOUNT SPENT IN RESEARCH

Question No. 217—**Mr. Herbert:**

In each of the past five years, what amount was given by the government for research into (a) multiple sclerosis (b) cerebral palsy?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

Support has been provided (a) for research into multiple sclerosis

1975-76	$ 121
1976-77	—
1977-78	42,730
1978-79	25,712
1979-80	7,485

and (b) for research into cerebral palsy

1975-76	$ 74,427
1976-77	37,685
1977-78	52,519
1978-79	113,395
1979-80	150,693

In so far as the Medical Research Council is concerned: Support has been provided (a) for research into multiple sclerosis

1975-76	$329,648
1976-77	372,944
1977-78	418,186
1978-79	490,296
1979-80	549,459

and (b) for research into cerebral palsy

1975-76	$23,000
1976-77	6,000
1977-78	—
1978-79	25,850
1979-80	4,250

VETERANS AFFAIRS—PURCHASE OF SITE IN CHARLOTTETOWN, P.E.I.

Question No. 272—**Mr. Herbert:**

Has the waterfront site in Charlottetown, P.E.I. been purchased for use by the Department of Veterans Affairs and, if not, has an alternative site been purchased and, if so, in what location and what amount was paid for the site?

Hon. Paul J. Cosgrove (Minister of Public Works): No, the waterfront site in Charlottetown, P.E.I. has not been purchased for use by the Department of Veterans Affairs. An alternative site (Site 9) located-part of block bounded by Kent, Grafton, University and Prince Streets has been expropriated at an estimated cost of two million to date. Expropriation process allows owners with an interest in land one year from acceptance of offer to commence court proceedings for additional compensation.

POST OFFICE—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 361—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Post Office Department (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

1. (a) 34
   (b) (i) 7 (ii) 0.
2. (a) 33
   (b) (i) 7 (ii) 0.
3. No.

PEOPLE'S REPUBLIC OF CHINA—ACCREDITED DIPLOMATS IN CANADA

Question No. 562—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from the People's Republic of China?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the People's Republic of China's diplomatic service who are either non-Canadians or Chinese Nationals?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

Accredited Diplomats From the People's Republic of China

Name	Title	Date of Arrival
Wang Tung	Ambassador	July 8, 1977
Liu Min	Counsellor	December 13, 1979
Hu Hung-fan	Counsellor	May 25, 1978
Xue Na	Counsellor (Commercial)	March 23, 1979
Yi Fei	Military, Naval and Air Attaché	January 28, 1980
Kang Chongru	First Secretary	October 26, 1979
Liu Ching-hua	First Secretary	January 13, 1978
Liu Tse-pu	First Secretary (Commercial)	October 6, 1977
Li Dianchang	Assistant Military, Naval and Air Attaché	August 9, 1979
Tsai Tsai-tu	Second Secretary	March 3, 1978
Chu Lu-Chang	Second Secretary	June 8, 1978
Li Tie-jun	Second Secretary	November 15, 1979
Wu Chin-jung	Third Secretary	December 14, 1978
Kuo Shang-chiang	Third Secretary	December 2, 1977
Lu Congmin	Third Secretary	August 30, 1979
An Wenbin	Third Secretary	August 30, 1979
Yang Chin-hua	Third Secretary	July 2, 1975
Cheng Jianhua	Third Secretary	October 5, 1979
Ma Hung-sheng	Third Secretary (Commercial)	January 14, 1977
Ku Hsiung-chiang	Third Secretary (Commercial)	January 14, 1977
Wei Chen-tung	Attaché	August 3, 1978
Wang Ching-hua	Attaché	July 1, 1973
Chao Ying-fu	Attaché (Commercial)	November 5, 1976
Chen Ting-hsiu	Attaché (Commercial)	November 5, 1976
Xu Zhizhong	Attaché	February 27, 1980
Zhu Yi	Consul General	January 10, 1980
Cheng Wei	Consul	June 26, 1977
Sang Sung-sen	Consul	December 24, 1978
Su Wen-kuang	Vice-Consul	August 5, 1978

Members of the Staff—Chinese Nationals

Name	Date of Arrival
Chen Lung-chiang	June 2, 1976
Tsui Tsien-hua	January 13, 1978
Niu Ken-chun	April 14, 1978
Chang Hsueh-wu	July 21, 1978
Chen Pei-liang	August 3, 1978
Niu Chao-yun	October 18, 1978
Hsieh Hsiao-yen	October 29, 1978
Ni Yueh-nai	February 19, 1978
Chen Youfa	September 12, 1979
Fang Ping-hao	May 25, 1973
Wu Te-chih	June 11, 1975
Pei Fu	June 11, 1975
Yu Hsiao-li	March 31, 1976
Chiang Lai-chun	August 12, 1976
Hsu Chiu-sheng	October 6, 1977
Chang Pen-shan	December 2, 1977
Tao Cheng-shou	April 14, 1978
Sun Kai-lin	May 25, 1978
Li Ming	September 20, 1979
Wang Dingren	September 20, 1979
Shan Weiguo	November 15, 1979
Wei Chieh	November 7, 1974
Chang Yuan-yuan	February 25, 1977
Fan Ming-chun	December 24, 1978
Song Lianjie	August 5, 1979
Ke Yeh-chih	August 3, 1979
Li Yung-an	February 4, 1977
Yang Mei-ching	June 12, 1977
Chang Li-chi	March 3, 1978

Order Paper Questions

SERENA CANADA

Question No. 677—**Mr. McKnight:**

1. In the past ten years, did the Department of National Health and Welfare receive applications for funding from Serena Canada?

2. Did the department approve funding for the organization and, if so, in each case (a) in what year (b) in what amount (c) for what purpose?

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

1. Yes

2. (a) Yes (b) Amount granted

1970-71	$ 25,000
1971-72	40,000
1972-73	172,000
1973-74	150,000
1974-75	180,000
1975-76	175,000 + $5,000 (research)
1976-77	175,000 + 9,079 (training)
1977-78	175,000
1978-79	175,000
1979-80	120,000

(c) The grants were awarded for the operation, improvement and extension of services.

INTERNATIONAL CONVENTION—CONTROL OF SALMON FISHING—NORTH ATLANTIC

Question No. 867—**Mr. Gass:**

Has Canada taken initiatives with respect to a new International Convention to control salmon fishing on the high seas in the North Atlantic and, if so, what are they?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Over the past year Canada has been engaged with the U.S.A. and the EEC in the development of an International Convention to contribute to the conservation of North Atlantic salmon. Canada has transmitted to the EEC and the U.S.A. the draft of a convention which would provide for management and control of intercepting salmon fisheries in North America, Greenland, and in the Northeast Atlantic. A meeting between the three parties was held in Washington, D.C. April 29-30 and a further meeting is planned for some time in June.

[*Translation*]

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

Some hon. Members: Agreed.

[*English*]

Mr. Cossitt: Madam Speaker, I rise briefly on a point of order in regard to one specific question. As the parliamentary secretary knows, I have a number of questions which have been on the order paper for two and three years that have not been answered, but I should like to refer to just one at this time.

Question No. 15 asks how much government business has been received by Mr. Martin Goldfarb or Goldfarb Consultants Limited. They are the chief public relations surveyors for the Liberal party and also do government work. I do not think the fact that they have Liberal party connections should mean that the government should not answer a legitimate question about government business with this company for a period of over a year or two.

I raised this matter several times before May 22 last year as a point of order. I was assured by the then parliamentary secretary that an answer would be forthcoming soon. Unfortunately no one was able to define the meaning of "soon". I am wondering whether the parliamentary secretary who is now holding this position can perhaps enlighten us as to what "soon" really meant. Obviously it meant a long time, but does "soon" now mean perhaps tomorrow or the next day?

Mr. Collenette: Madam Speaker, to me "soon" means some time in the future. Whether or not that is in the immediate future or the prolonged future is a question over which I have no immediate control.

I try to get answers to questions. In fact, I think we have answered almost 250 questions to date, so I think the record is quite good. I realize the objections of the hon. member and I will do everything I can to get an answer for him. But I might say that the failure to answer a question does not mean to say that question will not be answered some time in the future. I do not think the hon. member should draw the kind of conclusions he does—

Mr. Cossitt: After two years!

Mr. Collenette: —from the fact that this question has not been answered.

GOVERNMENT ORDERS

[*Translation*]

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

The House resumed, from Wednesday, June 4, consideration of the motion of Mr. LeBlanc that Bill C-28, to amend the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

[*English*]

Hon. Ron Huntington (Capilano): Madam Speaker, last evening I rose to make a few remarks about concerns that I have been receiving over the years from people on the west coast dealing with matters pertaining to the Department of Fisheries and Oceans. I am using the debate on Bill C-28 as an

opportunity to put those concerns on the record and to remind the minister of them.

● (1520)

If I may continue, there are just a few other matters I would like to comment on, and one is an apparent attitude that troubles some of us. I realize there are two sides to all of these stories, but sometimes a beef or complaint can arrive on a member's desk when officials of the department do not see eye-to-eye with a constituent, and we have to find the second side of the story. I bring this before the House again because it seems to be an attitude problem that is all too prevalent and that comes to our attention quite often.

We have people in the Department of Fisheries and Oceans serving the west coast with great skill. These men are scientists, bio-scientists and engineers who have entered the field of applied bio-sciences. Sometimes it has been my observation, rightly or wrongly, and I will ask the minister to take the opportunity perhaps to correct me, that a degree of possessiveness sometimes reaches these men in respect of their examination of ideas or inventions that come in from the marketplace.

One of these in particular was an application to the department on the west coast for some assistance or research for a herring pump. The Department of Fisheries, so the newspaper article and the individual involved reports, did not take up the suggestion although the performance of this pump had been demonstrated and did need improving. I should like to point out that this was an entrepreneur, an inventor, a mechanic, a man who had applied knowledge and was seeking some assistance from the department in respect of this mechanical aid to the industry.

That pump, that project, did not receive encouragement from officials in Canada on the west coast and it was taken to Los Angeles. That pump is now being manufactured in Los Angeles for a wider market than specified—

An hon. Member: And exported into Canada.

Mr. Huntington: Yes, and is being exported in Canada. Canadians are buying these pumps now manufactured in the United States for one of the purposes intended. The principle of the pump can be expanded and researched into other areas. It is this type of thing that causes an unnecessary level of anxiety in the community. Perhaps more open-minded attitudes, more discussion and less elitism between the scientist, the mechanic, the entrepreneur and the marketplace would be in order and advisable.

I mentioned yesterday that we are very concerned about the diminishing herring population inside the Gulf of Georgia. I will not repeat all of my remarks on that other than to say that on March 13, 1980, there was an article which appeared in the Vancouver *Province* that said officials had rapped herring research, and that they had only a mere pittance for studies. If it could be substantiated that they are not getting enough money for research and they want to come before a committee and make a case, I am sure every member from the west coast would help them impress upon the government the need for that research.

However, following that article I did receive input from people who are very interested in the performance of the department on the west coast. One gentleman who keeps me informed on a variety of matters pertaining to the coastguard, fisheries and environmental matters said he just did not agree with the newspaper article, that federal fisheries people say they are short of funds in herring research, and implied that the disaster is the result of penny pinching.

I do not want to see the herring resource on the west coast dry up for any reason, whether it is from overfishing, moving in on the roe harvest, or whether it is for lack of research.

In support of his statement, he goes on to say:

Any half-intelligent commercial fisherman could see what was happening.

That is so, Mr. Speaker. Anybody knowing the waters, knowing the resource and the marine resource on that coast, could see that there was a serious imbalance and a reduction in a very important feed resource for salmon. He points out that even he could see it, as I have just said, and could have given them, as could any fisherman, the advice for a lot less than the $600,000 appropriated. He goes on to say:

Actually the detailed reports prepared by the department over the last eight years are very complete and very informative.

He points out that the department has all the technical know-how and all the facts, but for some reason or other does not properly use the information available to it. He suspects that either there is political interference or union pressure.

I have also noted that newspaper articles coming from the unions on the west coast express the same concern I am expressing here and codify this concern. They also point to the fact that perhaps we should be putting more emphasis on the herring fishery as a food herring industry similar to that which has been developed, and which we admire very much, on the east coast of Canada.

In summary, then, I want to echo the voice and the concern on the west coast that we should stop the herring roe fishery until maintenance of that species of population is assured and protected, and under a sustained management load. I would like to see us stop the harvest of herring for sport fishery use so we can replenish the stocks of herring in all the little bays, ponds and holes in the ocean bottom where they used to be in abundance. The populations are being removed. If there is other scientific evidence that this is for reasons other than man's harvest, or excessive harvest of the herring resource, then let us hear it from the minister.

I should like to see the problem between Canada and the United States resolved through the international salmon commission. I would like to see that commission start to move on the development of technology that is well known, well established and ready to go in the development, enhancement and implementation of hatcheries closer to the ocean on our river systems on the west coast.

We have already had an announcement from the Thirtieth Parliament that we were to spend some $119 million on

salmonid enhancement. We on the west coast, and I guess everywhere else in Canada, get magnificent bulletins on a regular basis on the salmonid enhancement program. I would like to see some fundamental things take place that will enhance and improve that resource. If we are going to see that, and in fact if we are going to have in place the program announced back in the Thirtieth Parliament, we must have advanced research or advanced knowledge used in the protection of the feeder species upon which that salmon industry relies as the salmon return to the spawning grounds.

The minister would be well advised to take a bit of a holiday on the west coast, perhaps talk to some of the people in the fisheries service who are on the frontiers of that service up the coast, and talk to some of the fishermen during those periods when there is closure on the docks, as I am sure he would find it an amazing experience and would get a real feeling of the importance of this to the community.

The 20-inch limit, which I understand has been postponed or put in limbo for awhile, is of very real concern to a lot of people. We do not understand why the officials would even recommend that sport fishermen who catch a salmon species of less than 20 inches throw it back into the water. That to us is a waste. We would like to know what the scientific analysis or reasoning is behind even thinking that such a method is a sensible way of protecting the chinook species, if that is the reason for that type of threatened legislation.

• (1530)

That about wraps up the comments I wanted to make on Bill C-28. I took forward to receiving some answers from the minister in his wrap-up comments.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my reason for participating in this debate is based on the fact that this bill has a very direct bearing on my riding. I have no great expertise in this area, although I have had an opportunity to observe this industry in operation over a long period of time and to draw basic conclusions about how a bill such as the one before the House today affects the people who live and work in my riding. In reference to the previous speaker, my riding is adjacent to his riding and covers more than half the coast of British Columbia. The riding of the hon. member for Skeena (Mr. Fulton) covers the rest of the coast of British Columbia.

Every community in this area is vitally affected by this bill. This particular industry is presently in chaos and many people who live and work along the coast of British Columbia have little confidence in the industry. What little confidence there is is held with uncertainty. The people who invest in and try to earn a living from the industry live from hand to mouth on a daily basis. It is a very desperate situation.

I would like to outline a few areas of particular concern to me. The major area is corporate concentration, which I see taking place right now. This particular legislation, in a very small way, according to my interpretations, will foster corporate concentration. Another area of concern to me is management of the industry.

First, I would like to discuss corporate concentration. Historically, the coast of British Columbia has had as its major industries fisheries and forestry. Up and down the coast for some 350 miles of my riding, there were once numerous small communities which thrived on logging and the catching and processing of fish. Then came the development of large fishing companies such as B.C. Packers and the Canadian Fish Company, which are basically foreign operations. For example, Garfield Weston and the New England Fish Company own the Canadian Fish Company.

These companies operate on the coast of British Columbia much like a feudal system. They own the major fleets, they provide the financing to put people in vessels to catch fish and they control the buying, the processors, the processing and ultimately the market. As the control by these companies developed, they moved to Vancouver. Loans and other forms of encouragement from the Department of Fisheries and Oceans and the natural process of monopoly rationalization brought about the move. As a result of this move, the coast of British Columbia became depopulated. Like so many other resource boom-and-bust industries, people came out of the major centres such as Vancouver, moved on to the coast and shared in the harvesting of this resource.

However, one group of people left behind in this depopulation process was the Indians. Many of the Indian communities today are in social and economic chaos. They are in that position due largely to the operations of the fishing companies and the corporate concentration of that industry. These companies did not consider the interests of the people of British Columbia, particularly the interests of the people who lived in the small communities along the coast. The Department of Fisheries and Oceans, through its short-sighted and inadequate programs, such as the one before the House now, has aided and abetted this situation.

In the recent past, from the late 1950s, changes have been occurring in the industry. Recently we saw the Canada Fish Company fall not by the wayside, but sold to B.C. Packers, which is Garfield Weston's jewel. They have taken over many of the assets of Canada Fish Company and, as a result, part of that market. They will probably gain the rest of it. There is a very real concern that the move toward monopoly control is intensifying. This bill will assist that development.

In the recent past, Japanese entrepreneurs have intruded into the fishing industry in British Columbia. This intrusion is of great concern to the people in the industry because the Japanese appear to be moving into areas in which the Canada Fish Company moved and in which many of the small Canadian enterprises have been trying to establish their presence at all levels of harvesting, processing and marketing.

As these Japanese companies begin to control the industry along the coast of British Columbia, there is the fear that the depopulating process will increase and that they will eventually have a monopoly. Many people who live in these small communities up and down the coast of British Columbia are very concerned about what the Minister of Fisheries and Oceans (Mr. LeBlanc) has in mind for the future. They want to know

how this particular bill will aid and assist the Japanese to take over the industry in British Columbia.

There is also the thought in some areas that the Federal Business Development Bank and fisheries improvement loans, are in fact financing people who are fronting for the Japanese. There is a great deal of concern. I would ask the minister to tell us in British Columbia whether this front financing is taking place, if it will continue and what the prognosis is for the future.

There is also the presence in British Columbia of Japanese fishing companies and trading companies. The government has introduced a bill, the Bank Act, which will allow the Japanese banking community to come to Canada and particularly to British Columbia. Once these Japanese firms gain a foothold and begin to work together in British Columbia, there is the concern that they will, by helping each other, gain complete control of the entire fishing industry. I am very concerned for my riding and for the entire west coast fisheries.

I want the minister to state how this bill and the policies which he will develop will affect the eventual control of the fishing industry. I sincerely recommend that Garfield Weston and the Japanese should not be controlling that industry, but that, in fact, it should be controlled by Canadians.

There is another area of concern, which has been discussed by previous speakers who are probably better versed than I on the matter. However, there are a few examples I would like to present to highlight some of the things which were said by my colleague, the hon. member for Nanaimo-Alberni (Mr. Miller) and other hon. members from British Columbia who have spoken. The topic to which I refer is management of the resource.

This bill will allow the government to lend money to build fishing vessels. Apparently the bulk of these loans in the past has been used in British Columbia. It is questionable whether this was wise or necessary. It is fine to build a fishing fleet in British Columbia, but people there are saying that there are not enough fish and that it is the Liberals' fault.

I would like to know how the government intends to come to grips with this problem. The management of this industry is concerned with such areas as salmon enhancement, conservation, allocation of the resource and licence limitation. I would also add, under this area, the business of the Indian fishery. I hope that the minister in his summary remarks, or perhaps in a policy statement at a later time, will comment on this subject.

The salmon enhancement program is a jewel in the crown of the fisheries department. The program is perceived as one of the most popular and most positive programs in British Columbia. Approximately one year ago the Department of Fisheries and Oceans trouped through the province of British Columbia touting this very successful program and asking for public input. They received public input. They received an expression of a few concerns. One is that the major hatchery program should, in the long run, be abandoned. We have concentrated our fishing production in a few small areas. Such concentration could be vulnerable to disease or environmental pollution and, in fact, might be lost. Some people went so far as to suggest that the Department of Fisheries and Oceans was plotting to get rid of the boat fleet, while at the same time placing the hatcheries at the mouths of the rivers to fish there.

● (1540)

A strange thing was happening, Mr. Speaker. In many small streams, aboriginal stocks were being wiped out as the vessels were required to fish intensively the hatchery stock. At the end of the Alberni canal there were originally diverse stocks of fish feeding into many streams and lakes. A hatchery was built at Robertson's Creek and now they have to fish right up the Alberni canal, almost on top of the hatchery, in order to make full use of it. In the process, steelhead and all the other runs have been wiped out. The aboriginal stocks are gone and we are left with the hatchery stock. If that should be struck by disease, then we have nothing. This is a serious concern which has been expressed time and time again and I am sure the minister is aware of it. I wonder what the minister sees for the future of this fishery which is so vulnerable.

Many people in my riding have brought up the question of the government's failure to be heavily involved in the general development of the enhancement program on the coast of British Columbia. The big hatchery program was in place before the salmon enhancement program came along and I do not think the department moved far beyond that.

In the communities of Bella Bella and Bella Coola and some Indian communities, the herring season was closed down and as a result the residents have not earned any income from that source this year. The price of salmon has also dropped dramatically and as a result their incomes are low. There is intensive logging in those areas. Unfortunately, the loggers are flown in from Vancouver so the Indian communities do not participate in the forest industry and remain dependent upon fishing. The forest and fishing industries conflict, however. In areas like the Kimsquit River Valley the fishing habitat will be so badly damaged that the runs will be light, and as a result the economic base of the communities will be affected. We have seen that happen in the Queen Charlotte Islands and other places. There are still a number of grandstand areas with major hatcheries. The whole process could lead to the depopulation of the coast of British Columbia. I call this to the attention of the minister and would be pleased to hear his response.

How does the minister plan to distribute the benefits that will accrue from the salmon enhancement program? The program itself is good but it has some very serious weaknesses, such as the way the benefits from the resource are allocated. Some very serious questions about this will arise in the future.

A colleague alluded to the problem of the penny-wise-pound-foolish approach to restraint. It appears that in the restraint programs there is cut-back in human resources which has affected the research program to support the salmon enhancement and other fisheries. As an example, a contract system was used for hiring researchers through a labour recruiting agency outside government. The agency would

recruit and pay the staff and the government would pay the agency a contract rate, but the rate was so low that the staff would not stay. This meant the continuity of research projects could not be maintained. In the end, there was no point in doing the research. Not only were the people assigned to the task on a contract basis frustrated, but so were those directing the program.

What we need is a clear commitment to research. I see that as an investment. I separate investment from spending here, Mr. Speaker. Spending provides a service and that can be judged as positive or negative, while investment returns income. Investment in the fishing industry, investment in the enhancement program and investment in research will ultimately return substantial income to the people who live on the west coast of Canada.

Another aspect of the situation is the technical base that is required. We need people to run the hatcheries and to lead the move to upgrade the salmon producing habitat. Staff recruited by an agency in Vancouver for the hatcheries are not always suitable. They are on contract and are paid something just above the minimum wage. As a result, they are ready to leave at a moment's notice if something else turns up. We would be better to make an investment and train a group of individuals to run hatcheries who would be available if the program is expanded. Instead, the enthusiasm of the dedicated people we have is being diminished. I know my colleagues from British Columbia would be pleased to hear a response from the government on this aspect of the question. There does not seem to be any point in investing in this area unless the spade work is done.

My next concern is conservation. There is no point in building fishing vessels unless we look after the place where the fish live. Before I came to this House, the former Bill C-38 had been hailed as bringing a new era in conservation and fish habitat protection. The government has encountered some difficulty in enforcing the provisions of that legislation, however. If the fish habitat is destroyed, the stocks will disappear. A continuing source of wealth for British Columbians will be destroyed and this will bring social change to the whole coast of British Columbia.

Strong legislation is needed and to this end I would urge the Department of Fisheries to enforce the provisions of Bill C-38. There seems to be a lack of will to take care of the habitat which will result in a loss not only to this generation but to future generations. My children and their children have as much right to that resource as does the present generation, but unless we protect it, it will be lost to them.

There is also a problem with estuaries, Mr. Speaker, and the tremendous competitive demand for land. This is an old story. Estuary land in British Columbia is being gobbled up because it is more productive than other farm land. Estuaries are being used as municipal sewage dumps or as log booming grounds, even when there are alternatives available. The estuaries are more productive as farm land, so there really should not be competition for use. I urge the government to join with the province of British Columbia to negotiate a strong coast zone management law. This seems to have worked in the state of Washington. We cannot continue to wreck this resource of British Columbia's estuaries by continuing to use them as booming grounds. If we do, they will be useless within 20 years. If we are to practice conservation, a coastal zone management law must be introduced in co-operation with the province of British Columbia.

I do not want to dwell on the question of openings and closings, Mr. Speaker. At the present time an area will suddenly be opened, the whole fleet will race to it, then a couple of big seiners go in, smack it a couple of times and next thing, it is closed. This distorts the allocation procedure and, indeed, can put a lot of people out of business. Unless we are vigilant now the situation will get out of hand. Since the resource belongs to all the people, I wonder if it is legitimate for the Department of Fisheries, under tremendous pressure from different competing groups, to make the decision on this. Or should the ultimate decision on the way fish are allocated be set by Parliament, the province of British Columbia or by the people on the west coast of Canada? We need direction for the fisheries department. This is something they need. They are under tremendous pressure and are trying to rationalize this insane procedure. Down the road many people are going to be hurt by this lack of direction unless some action is taken very soon.

● (1550)

I return now to allocation in the management of resources. This must be a nightmare to the department and to the Minister of Fisheries and Oceans. We see a problem with allocation between the commercial fishery, the sport fishery and the Indian fishery. Within the commercial fishery we see a tremendous competition for gear type, the seiners, the net fishermen, the trawlers; these people are all fighting for their share.

The situation has gone so far that one can never rationalize it. Most people say it is impossible to rationalize without hurting a lot of people. However, the longer one waits and the more you put in the fisheries improvement loans—to encourage people to put new seiners in the water and overcapitalize those vessels, before asking this institution to take some action on that—the more people you are going to hurt and the more you will endanger the resource. It is a very serious situation.

The question of the Indian fishery is one of allocation. A beautiful comment was made yesterday by one of my friends in the Conservative party; it was a slip of the tongue, but it was very relevant. He suggested that we needed a white policy paper in the fishing industry. I suggest that we do have a white policy paper at the present time, but what we may need is an Indian policy paper.

My riding is home to many Indian people who live in Indian communities. The only economic base is the fishing industry. There is a need for access to that resource. One cannot keep hiding in the bushes on this issue, they have to have meaningful access. It is their only hope. But one cannot just give them access to the resource; a mechanism has to be put together by

which they can become involved in obtaining the harvesting equipment and the capital to harvest it—for instance, licences, vessels, etc. Once they have those things, the Indians need assistance with processing. It has to be developed. They almost have to have the assistance to vertically develop it. Finally, the Indians have to be given a share, almost guaranteed a share, of marketing. There is a market for fish and it is an excellent one.

The only way to realize the economic benefits of the only resource that can really provide assistance to the Indians who live on the coast of British Columbia is by guaranteeing access to this resource and its economic returns. Social problems, such as housing and health, are there. These are communities where there is 75 to 90 per cent unemployment. Unless there is a commitment made or at least an Indian policy paper on fishing presented, these people are going to continue to wander in social and economic chaos.

Now I come to the licence limitation scheme. I recall from days that have passed the fact that licence limitation was going to help the industry. There were too many boats chasing too few fish. We wanted to get them into manageable proportion and make them efficient so that the people who did fish could earn income. We would therefore take the pressure off the resource, and for the people who did remain involved, those bona fide fishermen—that term was cast around so often—would be provided with a decent living.

From the people I have seen in the industry, and in my opinion, the industry is in absolute chaos. The scheme failed to achieve its objectives. A lot of bona fide fishermen have been forced out of the industry. It is virtually an adversary system now where the fisherman is against the fisheries department. There is no attempt to co-operate whatsoever. Many bona fide fishermen have been forced out and now it is a business. Instead of a labour-intensive operation supplying a lot of jobs for people, we now have a very exclusive, highly capitalized operation that is operated by people who are not fishermen. They are entrepreneurs who may be farmers in Saskatchewan or small businessmen, logging contractors or whatever. But basically bona fide fishermen have been forced out of the industry. They have lost their vessels and their incomes and a great deal of harm has been done.

The fleet size comes to mind. There were too few boats chasing too many fish. The boats chasing those fish now could fish out the industry. We are continuing to slide seine boats off the ways. There are more and more of them every year, bigger and more capable seine vessels. I do not understand the application of this particular program when it is producing more vessels and more efficient ones that not only go out to take the target fish but take all the other fish around. They have virtually put a stop to the herring fishery.

With regard to the whole question of capitalization, this legislation being put before the House encourages a program which is absolutely opposite to the one that has been cited. It will increase overcapitalization and the size of the fleet. That is not in the interests of British Columbia.

The licence limitation program is literally beyond hope. It is unfair and unsuccessful. It has placed the management of the resource in British Columbia in chaos.

Now I come to the question of international agreements, again as part of management. The halibut agreement has harmed a great number of fishermen. There is a feeling that the Department of Fisheries and Oceans of the Government of Canada did not negotiate with the United States vigorously enough. With respect to the boundaries and the Dixon Entrance, there is a feeling among the fishermen of B.C. that the Government of Canada does not represent their interests: first of all, that it is not western in orientation, and second, that it only promotes the interests of central Canada. When we go to the table to negotiate in Washington with representatives of the United States government, B.C. fishermen feel that other concerns come up. It seems that we are concerned about matters that affect other areas in Canada and fisheries get traded off. Short-term political gains seem to come to the fore in favour of the long-term protection of our share in this particular resource, whether it is reciprocal fishing agreements or environmental protection, whether it is a halibut agreement or fishing boundaries. There is a profound feeling that we do not defend the interests of the west coast fishery. It seems that we are willing to sacrifice those interests.

I am not sure how one remedies that kind of a situation, but I am certainly concerned about it. I am also concerned about the mechanism we use with the United States where we negotiate with their committees and then the United States Senate determines any treaty arrangement after that. We are bargaining twice. We are invited to make representations twice. It is extremely unfair and frustrating for Canadian fishermen.

In conclusion, I have said that these are general observations, but I would invite the minister to comment on them. I know that the people in my riding and in all the other ridings in British Columbia are deeply concerned. I recognize that this legislation is designed to suit a particular purpose, but I think it is on the wrong track, that the policy statement that is implied or read into it is probably on the wrong track for the west coast, though as my colleagues have said, it may be very appropriate for the east coast.

The management program is erratic and unfair. I seriously urge the minister to make some statement to this House about where the fishery is going, so that we can provide some stability to people who want to invest and work in it. People cannot earn a living with these uncertainties. Loss of income and bankruptcy is an all too possible future scenario.

Specific recommendations have been stated before by my colleague, the hon. member for Nanaimo-Alberni. Some of them are simply observations and recommendations that I would ask for comments on by the minister. First of all, before we get into an ad hoc approach, such as this improvement loan bill before us today, we need a clear statement. One does not exist.

I suggest the way a clear statement could be developed is if we follow the model of the forest industry in British Columbia.

It is an important industry to our province. A major royal commission was appointed years ago under the name of the Sloane commission. Since then we have had royal commissions every ten years to examine the state of the industry and to determine what happened to the last royal commission's recommendations. I would hope the minister and also my colleague from Nanaimo-Alberni will be expounding in more detail the need for a royal commission in B.C. to inquire into the fishing industry of British Columbia on a continuing basis. We cannot go ahead with that in such a state of chaos and mistrust unless we get a Canadian of such repute that the individual will enjoy the confidence of all the parties, someone along the lines of Justice Berger. This is extremely important.

• (1600)

The third thing I would recommend is this. I urge the minister to comment on the enforcement provision of Bill C-28. On the one hand, there seems to be the law. On the other hand, there is a lack of will to enforce that law with vigour. Basically, I would like a clear statement on the problems there and the suggestions he might have to recommend to Parliament or the province of British Columbia.

Next, I urge the minister to obtain early passage of this bill, to work with the province of British Columbia and to urge early passage of a coastal zone management act. I urge his colleague, the Minister of Consumer and Corporate Affairs (Mr. Ouellet), to investigate immediately corporate concentration in the fishing industry in British Columbia. I am seriously concerned about this. It is time for a review, with a Canadian fish company going down. Now one major company, B.C. Packers, largely controls the entire industry from harvesting to market. It is time we had a look at this practice.

Also, there is the penetration of the Japanese with their fishing companies and trading companies. I am concerned about that and about the Japanese banks coming in because of this government's legislation on banking. I am concerned where those three sets of companies will eventually take our industry, because we will be dealing with probably one of the most powerful economic cartels in the world when we have that set-up. I urge the Minister of Finance (Mr. MacEachen) to have his colleague examine that particular issue. We in British Columbia would like to know about it.

Finally, what is seriously needed is for the minister to outline his intentions with regard to Indian people. I again state that this is their major resource. They need guaranteed access to it. They need not just access but a complete economic package, from access and harvesting capabilities right through to marketing. My colleague in the Conservative party suggested we need a white policy paper. As a counterpart to that, we need an Indian policy paper which is very clearly stated. People on the coast of British Columbia and especially the Indian people would appreciate that. I look forward to hearing about this in the summary remarks, or at some later time, and I know the people of my constituency do as well.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me say at the outset that I join in the debate on second reading of Bill C-28 because it involves assistance to the fishing industry. For that reason, it is of special interest to all members who are concerned with the accelerated development of our inshore and offshore Canadian fishery.

Let me note the presence in the House of my friend and colleague from the neighbouring constituency of Halifax, the Minister of Labour (Mr. Regan). I am sure he shares with me a special interest in the development of the fishery in Nova Scotia and along the Atlantic coast. I am sure he shares as well the perception that the fishing industry in Nova Scotia, and the Atlantic provinces generally, extends to more than those directly involved in it. It is a matter of our hope for the future. We in the Atlantic area rest much of our future on the success and development of the fishing industry. It is with those thoughts in mind that I review this bill before us, Bill C-28.

Although it is properly characterized as too little and too late, I am inclined to agree that the bill should go forward with due speed to the Standing Committee on Fisheries and Forestry for consideration. I am mindful that the processing of the bill involves some urgency. Before making some remarks on the principle of this bill, let me review briefly the act that it amends.

The Fisheries Improvement Loans Act in simple terms provides for the guarantee of loans to fishermen from banks, credit unions and private lenders. As I understand it, the bill would raise the loan limit from $75,000 to $150,000 and increase the maximum term for repayment from 10 to 15 years. The new total amount that may be guaranteed has been increased to $250 million. That is the total amount under the act.

There is a reference in the bill to regulation establishing the rate of interest. I do not recall whether the minister specified the rate that would be fixed or whether any change would be made. I understand at the present time the practice is to charge one point over the bank's prime rate of interest. By current standards, that is a very high rate of interest with the way the bank interest rate is now determined.

While that, in summary, is the effect of Bill C-28, it is worth while to examine the use that has been made of the provisions of the act by fishermen. The last report tabled in this House under the act shows a total of $28 million approximately in loans for the 1978-79 fiscal year to which the act relates. The minister tells us this may increase to $35 million in the current year, but who is borrowing these funds? One of my colleagues has pointed out that the major portion of the total loan funds are borrowed in British Columbia; in fact, $23.5 million of the $28.3 million total relates to B.C. loans.

There is a reason for this and it is important to place that reason on record in this House. The Atlantic provinces—and I speak particularly of Nova Scotia—have government agencies that deal in loans to fishermen. For that reason, there is less recourse to the provisions of federal loan guarantee legislation.

To put the matter in perspective, my information is that the fishermen's loans board of Nova Scotia, in the same period

covered by the last report under the act, being the fiscal year 1978-79, provided loans that totalled over $50 million. Right now the board is engaged in trawler construction financing of $28 million for three vessels. That alone equals the amount spent under the federal act.

It should also be recorded that the provinces of Newfoundland, New Brunswick and Prince Edward Island would probably provide financing for fishing vessel construction through boards and agencies equal in amount to Nova Scotia. Through the provincial agencies in the Atlantic provinces, there is financing for construction of fishing vessels to an amount that probably exceeds $100 million. So you can see that the federal government is not the only government supporting fishing vessel construction.

That is not all the story when it comes to defects in the act. The limits are not realistic for the east coast. I am told a 65-foot dragger would cost over $500,000 and a 45-foot dragger at least half that, so financing vessels over 45 feet is precluded by the $150,000 limit that will be imposed under the act.

The act extends to the financing not only of fishing vessels, but to onshore installations. This has no value when applied to the east coast fishery where a fish plant that provides for the freezing of fish would cost a minimum of $1 million, and probably much more.

Then there is the interest rate which I have already mentioned. I understand that under the amending bill the rate can be fixed, with the co-operation or approval of the Minister of Finance (Mr. MacEachen), but it will still be related to the bank prime rate and could result in rates of 18 per cent and more.

In Nova Scotia, and I believe in the other Atlantic provinces a New Brunswick, Newfoundland and Prince Edward Island, for boats under 45 feet—and that is the only size that would benefit under the federal act in view of the cost of construction—the interest rate for those vessels is 6½ per cent. We can see why the federal act is little used in Atlantic Canada.

● (1610)

That brings me to another point regarding the principle of Bill C-28. We must consider any assistance to the fishing industry in the light of all the available assistance, federal and provincial, and assess it on that basis. What lies at the real heart of the fishing industry in eastern Canada is the disputes and the problems which arise from joint federal and provincial jurisdiction over the fishing industry. I include in the term "fishing industry" the inshore and offshore fisheries plus the shore installations and facilities that we have in our fishing plants.

To confirm that this is very much a consideration relevant to this bill, let me refer to the minister's own remarks when he introduced this bill and said that the provinces approve the assistance provided by this federal legislation.

In considering the principle of this important change which is provided by Bill C-28, I want to examine some of the problem areas in federal-provincial relations in the fishing industry. The matter of direct sales—that is, sales over the sides of local inshore fishing vessels to foreign interests—has caused great concern and consternation, particularly with provincial ministers of fisheries. These sales have disrupted the orderly development of the fishing industry in Nova Scotia and, I believe, in other of the Atlantic provinces, and it is a matter under the direct control and supervision of the Department of Fisheries and Oceans and the minister of that department.

It has been said that these direct sales would be discontinued, but there are still rumours that they are taking place or are going to take place, and this is a real concern to the fish-packing plants which, I remind the House, employ many more persons and provide a living for many more persons than the fishing vessels themselves. This is not to discount in any way the contribution of the inshore fishermen who benefit from these direct over-the-side sales. It is merely to point out and underline the fact that this federal-provincial dispute disrupts the orderly development of the fishing industry. I for one—and I am sure many of my colleagues feel the same way—feel that we want attention paid to the inshore fisheries and fishermen equal to that paid to the offshore fisheries. We support any measures which provide benefits to inshore fishermen, but the matter of direct sales over the sides of fishing vessels to foreign trawlers and fish factory ships is not conducive to the orderly development of the east coast fishery.

I have talked on many occasions to inshore fishermen and their representatives, and I realize and recognize the benefit that they receive directly from these kinds of direct sales. However, we have seen situations in which the Department of Fisheries and Oceans, through the minister, has approved transactions which did not benefit the fishing industry as a whole. In some cases—and I refer to St. Margaret's Bay in my constituency of Halifax West—there has been very little benefit to the local fishermen. What has happened in some cases is that the minister, or his officers, has purported to negotiate arrangements with foreign trawler owners who in fact appear to be representatives of the Soviet Union. They have arranged transactions which involved quotas which in many cases could not be met. That is to say that in these transactions the Canadian government promises to provide, through its inshore fishermen, a certain quota of a certain species, and if that quota is not met, usually some other provision is made so that another species like squid can be substituted, and the foreign trawlers are allowed to fish for that particular species.

On the face of it, this arrangement results in the inshore fishermen receiving a higher price for these species that they are providing. That is in competition with onshore purchasers, so that it may involve the inshore fishermen getting a price of 11 cents or 12 cents, apparently, as opposed to a price of eight cents or nine cents per pound for the species involved. However, through the Minister of Fisheries and Oceans (Mr. LeBlanc), the government has not given the opportunity to local purchasers, fish companies and fish packers, who would normally purchase the particular species, to meet the deal

given to foreign vessel owners. That is to say, they have not given to our local Canadian fish packers the same arrangement they have permitted foreign trawler owners to make.

This is something I point out and underline because it is an area in which there is a great deal of dispute and concern. It disrupts the orderly development of the fishing industry, and when he is considering this bill and related matters I would like the Minister of Fisheries and Oceans to pay close attention to that and to recognize the difficulties which are caused by direct sales arrangements.

There is another area which pertains to this bill but which is not directly covered by it, and that is the vessel construction subsidy. This again has been a source of annoyance between fishermen and both the federal and provincial governments. I say that because for some time the federal government provided, for certain vessels, a 35 per cent subsidy, but only when funds were available. This again contributed to uncertainty in the fishing industry. Because of this subsidy, people who might otherwise not have been prepared to replace their vessels or build other vessels or engage in the fishing industry were prompted to replace their vessels or for other reasons construct vessels. The subsidy, however, has dried up on occasion or been cut off, and I understand it is now frozen and unavailable. This again is not the sort of thing which is conducive to the orderly development of the fishing industry. It has in the past, however, resulted in the building of Cadillac fishing vessels when Chevy-type fishing vessels would have served the purpose equally well.

This is an area in which the federal department should co-operate with provincial departments and the fishermen's loans board to make sure that they are properly serving the fishermen when they turn on or turn off the tap of this federal vessel construction subsidy.

Let me say in that connection that many now think that a preferable method would involve something similar to the registered home ownership program which prevailed in the past. Under such a program, fishermen would be able to put aside, with appropriate tax benefits, a certain amount of money a year which could be collected in a fund to assist in the construction of new replacement fishing vessels. This is one item I put forward to the minister as a possible benefit to fishermen in the same area which is covered by the bill.

One of the things which is of great concern in my constituency of Halifax West and along the east coast of Atlantic Canada is small craft harbours. In the debate on this bill we are talking about construction of fishing vessels, but if one were to tour the south shore of Nova Scotia and examine the wharves fishermen have to use in order to dock their boats and offload their catches, one would realize that a great deal of money and effort has to be put into the development of small craft harbours.

Mr. Regan: Hear, hear!

Mr. Crosby: The Minister of Labour applauds because I am sure he has been to some of the small craft harbours in Halifax county that I have visited. I could tell some horror stories about small craft harbours. For example, notwithstanding a budget of millions of dollars, it is virtually impossible to get the small craft harbours administration to instal lights on some of the wharves about which I am concerned and interested. It is ridiculous because here is a wharf the construction of which cost in excess of $100,000, it is dark at night, and the fisherman who lands there has to offload his vessel in darkness or with the aid of a flashlight or lantern. For the sake of the $100 or so involved to instal a light and the few dollars a month it would take to maintain it, I really do not wonder why people lose faith in government and government officers.

● (1620)

So we in Nova Scotia look forward to small craft harbours development programs which would go side by side with the vessel assistance program to enable our fishermen to make proper use of the vessels, to become more efficient and to utilize, to the best advantage of all Canadians, these government sources that are made available to fishermen through programs such as the fishermen's loan program.

One of the ideas that has been given to me and which makes a great deal of sense is the possibility of developing fisheries service centres as part of the small craft harbours program. As you go along the coast of Atlantic Canada, you see a great many small craft harbours, each with their own wharf—in some cases in dangerous disrepair—yet maintained under the small craft harbours administration, but there are no facilities beyond the wharf and, as I say, without a light which can be used at night, which comes very early in Nova Scotia in the fall and in the spring, I assure you, Mr. Speaker.

There are no facilities at small craft harbours, so some people, and I tend to agree with them, realize that the money would be better spent if larger service centres could be established at which other facilities beyond just a wharf, docking and off-loading installations would be available. One of these facilities—and I use this opportunity to bring to the attention of the House that this particular program for providing very special facilities has been discontinued—is the ice-making machinery program which the federal government assisted and contributed to through, I understand, the provincial departments of fisheries. Funds for this program have been cut off so that ice-making machinery is not available to many of our fishermen at a time when all experts in the fishing industry say you must improve the quality of the fish, and that the only way to do this is to ensure that the fish, as soon as they are caught, are put in a state nearest to frozen as they can be, and continued in that state. Certainly they should be kept cool if the facilities are not sufficient to freeze them.

That is one area in which the federal government and the minister have shown a lack of concern for the real problems of fishermen. By continuing that program, it could have meant in particular cases that the fishermen could get their catch to a packer in prime condition suitable for the world markets, and in a quality state which is demanded by the persons who purchase for those markets.

Another area in which the federal government and the minister have shown their disdain for the problems of fishermen—and I seek again the opportunity to put this on record—is in the matter of fisheries research. You will recall the minister of fisheries in 1978 discontinued the fisheries laboratory facility in Halifax. This caused a great deal of difficulty and consternation, and again it came at a time when research was a very important element of the fishing industry. Without proper research, the Canadian fishery is in danger of not being developed along the lines that it could be developed, and with very grave consequences to the fishermen and the fish packers and all of those concerned with and engaged in the fishing industry.

Another area of federal-provincial relations in the fishing industry that demands some examination is the area of aquaculture. Aquaculture involves oysters, clams, mussels, and indeed some of the sea plants and seaweeds that are used and can be used commercially. This is an area that probably should and does come under provincial jurisdiction, but it is an area in which the federal government should take an interest because it provides the opportunity for other income for fishermen who, during periods of bad weather, may not be able to go to sea in their vessels but could engage in some aspect of the aquaculture branch of the fisheries industry. I would like to see the minister give a little more attention to that problem and involve himself with his provincial counterparts to work out some of these problems and provide some of this very important aid.

Let me close, Mr. Speaker, by again underlining the importance of good federal-provincial relations in the fisheries industry. The future of the industry depends on that. Matters of licensing, fish allocation, the fostering of international agreement, are all dependent upon the provinces, through their fisheries ministers and the federal fisheries minister, reaching decisions on these very vital areas.

As I understand it, the maritime ministers of fisheries met just this week in Fredericton, New Brunswick, considered many items of common concern, and I believe formulated a statement which was either available or soon will be available in which they list some of these areas of real concern. I hope the Minister of Fisheries and Oceans will regard very seriously the recommendations made by this group, and bring about a change in what has been a continuing problem in the fisheries industry.

I want to say, Mr. Speaker, that I do not believe that it is at all a case of favouring the inshore fishery versus the offshore fishery. I do not believe that the Minister of Fisheries and Oceans should take the position as he has done in the past, that he is the advocate of the inshore fishermen and is protecting them against the fish barons, the offshore industry. Because whether it is inshore or offshore, there are many people who are dependent on the fishing industry for their livelihood and for their future. I do not think anybody can seriously believe that we can withstand these interprovincial and federal-provincial squabbles, and I do not think there is anybody who does not believe that, unless these areas of differences are ironed out and worked out, we can not progress as we should in the fishing industry.

With those remarks, I would close by saying that I welcome any federal provisions that would benefit fishermen. The bill now before us, Bill C-28, does not have particular application to the Atlantic area, but as I said before, viewed in the context of all the assistance that can be and will be made available to fishermen, it is a welcome item and one that should go to the committee and be considered.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Ethier): Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-16, to amend the Old Age Security Act, without amendment.

THE ROYAL ASSENT

[*Translation*]

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 5, 1980

Madam,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 5th day of June, at 5 p.m., for the purpose of giving Royal Assent to a bill.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Wetaskiwin (Mr. Schellenberger)—Energy Conservation—Inquiry whether legislative action proposed; the hon. member for Calgary West (Mr. Hawkes)—Employment—Training programs for women; the hon. member for Mission-Port Moody (Mr. Rose)—Health and Welfare—Medicare program—Announced increases in premiums by British Columbia.

GOVERNMENT ORDERS

[*English*]

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

The House resumed consideration of the motion of Mr. LeBlanc that Bill C-28, to amend the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Jim Manly (Cowichan-Malahat-The Islands): I appreciate this opportunity to speak on Bill C-28, to amend the Fisheries Improvement Loans Act. As I look at this bill I have certain concerns. Fisheries plays a very important role in the economy of my riding, Cowichan-Malahat-The Islands. I do not wish to cover the waterfront in my talk; however, I do want to concentrate on one or two features.

First of all, I want to endorse the remarks of my colleague, the hon. member for Nanaimo-Alberni (Mr. Miller), when he spoke about undisciplined overcapitalization. The cliché that we usually apply to this—and like all clichés, it has a degree of truth in it—is: Too much gear chasing too few fish. The fact that there is too much gear chasing too few fish is hurting fishermen.

Different answers are proposed to this dilemma, and one of them is the salmonid enhancement program, a program which we endorse. While we endorse the idea of the salmonid enhancement program as providing the possibility of more fish, we do not understand how the government can be proposing that program and at the same time failing to protect adequately fish habitat where these same salmon will be growing.

● (1630)

The hon. member for Comox-Powell River (Mr. Skelly) referred to the need for a more adequate program to protect our estuaries. I am very concerned about the Cowichan estuary in my riding. It was two years ago that a task force was appointed by the provincial government on which the federal department of fisheries had representation. That task force heard numerous submissions for the citizens of the Cowichan area and from environmental groups desiring to protect that estuary from increased industrialization. Estuaries are easy places on which to expand industries, but we are only beginning to recognize the tremendous potential of estuaries for producing life and protein, and the place they occupy in the life cycle of many fish. Increased industrialization of the estuary involves land fill and dredging. This will be harmful to fish habitat.

While we have been waiting for two years for the report of the task force to be handed down, we have seen many small examples of this movement for increased industrialization going on apace. Log booms are more prevalent now than they were five years ago, and they are found outside their established leased areas. The destruction to estuaries because of log booms is becoming more and more known.

I should like to raise the following question with the hon. members and the Minister of Fisheries and Oceans (Mr. LeBlanc): What has the Department of Fisheries and Oceans been doing in order to protect this estuary? Where is the report of this task force? What has the department been doing to reassure the people who are fighting for the life of this estuary? When I meet with people who are involved in trying to save this estuary from industrialization, I realize that they are becoming discouraged; they are becoming disillusioned with coming before government with petitions and letters. They are beginning to wonder about the whole political process. In good faith two years ago, they put their submissions before the task force, yet the report has not been tabled. I should like the federal department to use some of its clout to get the provincial government to table that report. At the very least the department should move to reassure the people of the Cowichan Valley that there will be no further industrialization which in any way will adversely affect fish habitat.

We on the Pacific coast are very much concerned with the threat of increased tanker traffic. When tanker traffic is increased, not only is the danger of eco-disasters increased, but inevitably the day-by-day increment of seepage and small spills is increased, and this has a very detrimental effect upon our fisheries. Quite frankly, we are not happy with the very inadequate response so far from the government.

As we look at the salmonid enhancement program, we are happy that it exists, but we wonder what the point is of trying to provide this program. On the one hand, while on the other we do not preserve the existing fish habitat.

That brings me to the question of the bill before us which will provide more capital for more gear. What is the point of providing this capital unless we are willing to protect the existing fish habitat?

As I pointed out, the fact that we have too much gear chasing too few fish is hurting our fishermen. One group of fishermen that is being hurt the most is the Indian people.

They are being squeezed out of an industry in which they have always played a very key role. In fact, the entire culture and civilization of the native people along the Pacific coast has been dependent upon the resources of the sea. I am not only referring to the native people on the Pacific coast of British Columbia, but to those right from California north to Alaska. This is one of their aboriginal rights.

When the reserves were being set up for the people of British Columbia, instead of the larger reserves that are found in other parts of the country, the reserves for coastal Indians were very small. It was recognized that they faced out toward the sea and got their living from the sea, in large part, rather than from the land. In the early years of this century, a federal-provincial commission, the McKenna-McBride commission, recognized this fact and urged that certain plots of oceans and certain streams be put aside for the exclusive use of the native Indian people. This indicates the historic relationship between the Indian people and the fishery of our coast.

When the commercial fishing industry was first established in British Columbia, it depended very heavily upon native Indian people for labour. As those people began to relate to the impinging white culture, they came to depend very heavily upon commercial fishing as their means of livelihood. Now they are being squeezed out of this industry; they are being left behind. One trend that is taking place now—and it has taken place over a number of years—is that many of the small canneries on river inlets were shut down. They were moved to central places like Namu and Prince Rupert. Now the cannery at Namu has been closed and Prince Rupert has less of an industry than before. More and more of the fishing industry is being concentrated in the lower mainland of British Columbia. Not only is this leaving the native people behind and leaving no economic base for their communities, but it is a tremendous waste of our human resource. Also it is a very energy-intensive kind of centralization. At a time when we in Canada are facing an energy crisis, perhaps we should be asking questions as to whether this is the route we should be going. It is a waste of human resources and a waste of our energy resources.

The native people of British Columbia have a growing population, a young population. Increasingly these young people find that there is no place for them in the fishing industry. An industry which provided work for their parents and their grandparents has no place for them. Also we can look at the rising suicide rate, the rising crime rate and the rising rate of illness, and we do not need to ask too many questions about some of the reasons for this. The unemployment rate among young native people on the Pacific coast is directly related to their lack of opportunity in the fishing industry.

There are several reasons why they are being squeezed out. First of all, we can point to the failure of our educational programs and the failure to help these young people cope with new developments in technology and in managerial skills.

Second, we can point to the licensing program which was introduced by a Liberal government some ten years ago. At that time the minister of fisheries talked about getting rid of some of the marginal people in the fishing industry. Perhaps these people were marginal from the point of view of the western empire, and perhaps they were marginal from the point of view of the Canadian fishing company before it became marginal itself; but I want to assure the House that these fishermen were not marginal from the point of view of their communities and they were not marginal from the point of view of their own families. They were the mainstay of these communities and the mainstay of their own families. What we have done with our licensing program is crowded them, not only out of their margins, but pushed them right off the edge. This licensing program has not accomplished its own stated objectives, but it has very effectively helped to squeeze the native people out of the fishing industry in British Columbia. Again there is a problem resulting from the lack of capital. Does this act help native Indian people in its terms? I suggest it does not.

● (1640)

Along with native groups I am glad the minister has indicated he intends to restore funds for the native fisheries assistance plan. I think that is good, but we need to realize this is a very small group of fishermen who will be helped in this way. In this connection, I would like to read a letter I received from a young Indian woman. It states in part:

> We are a young couple trying to stand on our feet, but with a lot of hindrance from the fisheries and the licence system we are now without a licence for our troller, we have no way to make a living. We have wrote letters to Sol Sinclair, who was supposed to have worked on the "B" licences. So far he has gotten nowhere. We weren't able to save enough money to purchase an "A" licence because of the income tax we have to pay.

She continues:

> My words may not be strong enough to affect or get heard by anyone. But at least I am trying. I would like your opinion on what I am saying. Also who can help us. My husband and I have a lot of pride, we don't want to resort to welfare cheques.

This very moving letter I think speaks for a lot of young Indian people who would like to be able to have a stake in the fishing industry in British Columbia, who would like to be able to build and plan their lives with some pride and dignity. This legislation does nothing to help them and, indeed, there is no legislation or program I have seen which will help them.

The Native Brotherhood in British Columbia has submitted a brief to the minister outlining some of their concerns in this area. In this regard they say:

> In the case of coastal Indians historically and presently dependent upon the fisheries resources of British Columbia, there is an obvious requirement to guarantee continued and increased opportunities in all aspects of the fishing industry.
>
> This is a prerequisite for meaningful participation in the economic activities of the areas in which Indians live and for achieving a measure of control over their own social, cultural and economic destiny.

The brief goes on to state:

> The response of both the Ministry of Fisheries and Oceans and the Department of Indian Affairs—both key departments in so far as Indians in British Columbia are concerned—to the above priorities, related programs and funding, is one of nominal support for the self-development concept. However, in practice, the efforts of departmental personnel and the programs initiatied are severely restricted in their scope and potential for achieving true self-development.

There is nominal support but there is little real help. I would ask this government, through the Department of Fisheries and Oceans and in conjunction with the Department of Indian Affairs and Northern Development, to bring into this House a comprehensive program to ensure the place of the Indian fisherman in British Columbia.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I do not want to cause any nervous spasms over on the other side, and I do promise after I have made a comment or two to make certain that this bill is allowed to go through before five o'clock. However, I think this is an opportunity for me to deal with a matter of pretty grave importance to a lot of the people I represent along the Fraser River system in British Columbia, and I want to say one or two words about their present concerns while the parliamentary secretary to the minister is in the House. I do not suggest I am going to come up with any great profundities related to solutions to the problems of concentration of ownership, habitat destruction, or the loss of wetlands for spawning grounds which is occurring all over the country, especially on the west coast as it applies particularly to the salmon fishery.

I will say, however, that there seem to be signs that the salmon fishery in British Columbia is on the decline because of the concentration of very advanced and highly capitalized fishing and hunting equipment. The people I represent, or some of them, especially those who are engaged in a special kind of river fishery, are in fact the last in line when it comes to the distribution of the catch. Consequently, in addition to the suspicions that abound when people's livelihoods are at stake, through the natural competition within the industry, and from foreign sources, again with highly efficient and efficacious gear, there is within the fishery a natural suspicion that I think needs to be explored and perhaps laid to rest because it is based on facts and on rumours. I do not think we can ignore the fact that it exists whether factually based or not.

We have had in the Fraser River fishery this year only six openings for spring salmon, and these openings have occurred approximately once a week. To date there have been six, and last year by this time there were 17. To date we have caught 2,600 fish. That is the total catch for Fraser River gill netters.

Because the gill netter is the last in line, if there is overfishing by foreign fleets or by our own domestic fleets with other kinds of methods, set up in different ways, such as the trollers and seiners, the catch of these fishermen is much reduced.

This situation was described, I thought very eloquently, by my colleague, the hon. member for Comox-Powell River (Mr. Skelly). He described these radio-controlled, fast, efficient fishing machines which, once an opening was called, raced from one point to another in a moment, practically, in terms of the season, rapidly depleting that particular area as it is declared open. This has led to overcapitalization with larger and larger vessels costing more and more money, employing fewer and fewer people. That seems to be the story of our life.

I would not want to occur in British Columbia the kind of demand that occurred in Newfoundland where the inshore fisheries were declared at one point to be redundant, and the only salvation for the Newfoundlander was to move him into large communities, destroying his particular culture and way of life, taking what was once an independent, self-reliant family living in a small village, to which he could relate, and making another welfare case in a larger vicinity.

It is very important, I think, in our headlong rush to greater and greater efficiency that we also keep in mind that there is a human factor, and that the large, advanced fishing machines do not pay for very much at the local store. We must remember that the destruction of many small, independent communities is the result of what we call our headlong rush to modernization. I think the hon. member for Red Deer (Mr. Towers) would agree that the same thing has happened to some extent, perhaps to a large extent, in prairie areas which he represents.

• (1650)

Many, many monuments to the initiative and self-reliance of individuals have been destroyed as the smaller towns disappear because of larger farms. That seems to have been the trend in the last quarter of the twentieth century. We must make certain that there is a place for people and that that place will provide self-fulfilling and useful occupations. We must make certain that we do not allow ourselves, through various kinds of government initiatives, such as the bill we were discussing now, to allow people to be displaced and misplaced.

What is happening as a result of the intense competition within the groups of seiners, trawlers and gill netters and the foreign competition which has already been alluded to in this debate is that the industry is experiencing practically a fish war on both coasts. There have been instances in Alaska where declarations of open fishing in certain parts of shared waters have been such that the fisheries department has—and I hope that this is not too strong a word—unleased Canadian fishermen. In other words, it has removed the discipline of our conservation measures to the point where Canadian fishermen are competing wholesale with American fishermen and intercepting fish bound for American rivers.

The Americans may retaliate if this kind of thing is allowed to proceed and if we are unable to reach an agreement on both coasts with regard to this commonly shared, natural, renewable resource. This bill is not a matter of small consequence. Unless we can get ratification through the U.S. Senate in a relatively short period of time, we will be back at square one. In the meantime, we may have lost a resource or so seriously damaged it that it will take years to recover it, at a time when the demand for protein is increasing as populations grow. I do not think that we can afford that kind of frivolous, unco-operative management of a resource which is so valuable not only to Canada and the U.S. but to the world.

When these closures, such as the one which I described as the beginning of my remarks, result, fishermen on the Fraser River who have a large investment in gear, who must meet these investments and who are denied an opportunity to recoup

this investment—in other words, to pursue their livelihood—are the ones who lose. We must realize, though, that there must be a certain amount of escapement or there will be no tomorrow for the fishing industry.

There are at least three advisory committees to the ministry of fisheries on the Pacific coast. There is an advisory committee in the north, an advisory committee to the sockeye commission, which is an international commission, and an advisory committee for the Frasher fisheries. At the moment these committees do not make reports publicly. Their recommendations to the ministry do not, in the normal course of events, see the light of day in the public press. The reports are not published and distributed to the fishermen, unless it is through the fishermen's union paper and, of course, all fishermen, particularly gill netters, do not necessarily belong to the fishermen's union.

I would like to pay tribute once again to the kinds of things that have been happening in the enhancement program. However, besides underlining the gravity of the problems in the British Columbia salmon fishery at the moment, I suggest that we try to obtain the co-operation of the groups involved and make certain that the knowledge of the amount of catch, escapement, and the amount taken by native fishermen—which is their right—is made available on a regular basis and on a highly public basis within the industry, so that there can be a fair and equitable distribution among the people who are dependent upon this resource for their livelihood.

At the moment it is felt among the gill netters, the people I largely represent within the industry, that since they are the last in line and since they may possibly be, because they operate in the river, not as highly mechanized as other groups, that they are always asked to pay the price through early closures resulting from the excesses of others. They also feel there are not enough fisheries inspection officers or habitat control officers to make certain that their rights are protected, that the fish which they lose through escapement to the spawning grounds are, indeed, used efficiently once they get to the spawning grounds. This is because there is a lack of investment in proper spawning ground management and control.

I thank you, Mr. Speaker, for allowing me to say these few words on this subject. As far as my party is concerned, we are prepared to let the bill go through this stage.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I did not intend to speak on this bill, but I do want to make one short point. I will be brief so that we can pass this bill before five o'clock. I want to highlight what is happening on the west coast in the fishing industry. As the hon. member for Mission-Port Moody (Mr. Rose) has indicated, some of the regulatory habits of the department of fisheries are frustrating the fishermen.

However, there is another aspect which I think should be brought to the attention of this House, and that is the pyramiding of corporate power, which is frustrating the independence of the fishermen. Fishermen by nature are independent businessmen. When B.C. Packers bought out the Canadian Fish Company, it effectively left British Columbia with only one corporation with which the fishermen could deal. That means that the fishermen will be forever indentured to that one corporation. Such a move is very destructive of the fishing industry of that province.

Secondly, there used to be fishermen who were unhappy with B.C. Packers and moved over to Canadian Fish Company. Now that the Canadian Fish Company has been bought by B.C. Packers, these fishermen are, really, people without a country because there is nowhere for them to go. The Minister of Fisheries and Oceans (Mr. LeBlanc) and his parliamentary secretary must look at this situation because it is no good to pass a bill such as the one before us which extends the borrowing power and refinancing possibilities of fishermen if they have nowhere to go once they have refinanced their vessels.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a pleasure for me to have this opportunity to speak, very briefly of course, in support of Bill C-28. The debate has been very interesting. I have listened with great interest, both today and yesterday, to all hon. members who spoke, and many good points were raised. However, many of the points were very global in nature and were not apropos the bill itself.

The bill increases the borrowing power from $75,000 to $150,000 for vessel construction or improvement. Certainly members who took part in the debate had very different views on what the bill would do and would not do for the fishery. There may have been some misunderstanding as to its purpose, but since the bill will go to committee, many of the questions will be answered at that time.

I think one hon. member mentioned that the bill could influence and assist in corporate concentration of the fishery. Given the amount of money involved in this bill, it would probably work directly opposite to that suggestion simply because the purpose of the bill is to help the small independent fisherman. I do not have much more to say on the bill, with the exception that we will move it to committee.

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

• (1700)

[*Translation*]

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

Classification Audit

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

CLASSIFICATION AUDIT REPORT

The House resumed, from Thursday, May 29, consideration of the motion of Mr. Herbert (Vaudreuil):

That an Order of the House do issue for a copy of the data base upon which the Report on the Classification Audit in the National Capital Area and the Non-National Capital Area was based.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): I thank you, Mr. Speaker, and if I may be permitted I will continue the debate begun a few days ago on the motion introduced by my colleague the hon. member for Vaudreuil (Mr. Herbert). We were then talking about the classification of government employees and in that respect, I personally talked about what is called the red circling of employees. I explained the procedure we used so people would not be penalized as a result of the reclassification of their positions. With your permission, I will continue today to discuss that point and a few other matters.

[*English*]

Madam Speaker, in the earlier part of the motion the hon. member for Vaudreuil stated that the objective of the motion is to try to obtain more information on what is happening in the public service in the area of classification. It is to that point that I am going to address my remarks. I will attempt to respond to this request by outlining some of the more important changes Treasury Board has made to the policies and procedures governing classification in the public service.

As you may recall, Madam Speaker, the classification of 4,000 positions throughout the public service was conducted in two distinct phases. After the initial findings of the audit of the national capital area were communicated to the departments, Treasury Board continued with the audit outside the national capital area. In addition, Treasury Board undertook a pilot study of the classification system in the personnel policy branch of Treasury Board and in one operating department, as well as a detailed review of all policies and procedures related to classification in the public service.

These reviews indicated that there were significant problems in the conduct and management of, and results being realized from, the classification system as it stood. In terms of the quality of classification decisions, they indicated an unacceptable degree of overclassification; that is, putting people in a higher category than they should have been. As well, there was some underclassification and some allocation to the wrong occupational category or group. These were few and did not account for the high misclassification rate.

It was concluded that some of these problems were caused by attempts to use the classification system to solve problems in other personnel areas, such as recruitment and retention of personnel. Other problems were caused by the policies and procedures themselves.

Specifically, the classification was not—I repeat, not—designed to allow the classification of individual positions to, first of all, attract, reward, retain, sanction or remove employees. It was not designed to circumvent the intent of wage controls or bargained pay rates by reclassifying positions and individuals upwards. It was not designed to reflect perceived intergroup pay relativities. The common perception is that the pay relationships do exist between groups as well as incomes.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, it is the desire of the Honourable Deputy to His Excellency the Governor General that this honourable House attend immediately in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

Madam Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to a certain bill:

Bill C-16, an act to amend the Old Age Security Act—Chapter 4.

• (1710)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CLASSIFICATION AUDIT REPORT

The House resumed consideration of the motion of Mr. Herbert:

That an Order of the House do issue for a copy of the data base upon which the report on the Classification Audit in the national capital area and the non-national capital area was based.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, I thank you for permitting me to continue after the very brief interruption when we had to go to the Senate. It is always a pleasure for us to visit the other place. I had occasion to walk with my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) and he was saying that he was looking forward to the day when he could more than just visit there, or words to that effect.

Some hon. Members: Oh, oh!

Mr. Knowles: Madam Speaker, I rise on a point of order. No doubt the hon. member is having fun, but I am sure he knows that in this place one is supposed to speak the truth.

Some hon. Members: Oh, oh!

Mr. Knowles: That remark is as far-fetched as it can possibly be. The hon. member was probably speaking for himself.

Mr. Parent: Madam Speaker, I did not intentionally mislead this House; I probably misunderstood. But if anyone deserves to be honoured by being placed in the Senate, in my humble opinion, it would be the hon. member for Winnipeg North Centre.

Mr. Knowles: Does the hon. member call that an honour? It would be a living death.

Some hon. Members: Oh, oh!

Mr. Parent: As for myself, I will let history take its course.

I was saying what the classification system was not designed to do and I had mentioned three things. Fourth, it was not designed to provide protection from the impact of reorganizations which result in a reduction in number of positions or responsibilities.

● (1720)

On December 18, 1978, the document entitled "Report on the Classification Audit in the National Capital Area and the Non-National Capital Area" was tabled in the House. As a result of this report and the review of all existing classification policies and procedures, Treasury Board moved systematically to revise its policies and procedures to overcome the problems and difficulties identified with classification in the public service. These changes to the policies and procedures are designed to improve the classification system and correct the misclassification of positions.

In summary, the various changes and actions undertaken by the Treasury Board are as follows. The Treasury Board advised all departments and agencies of the results of the special audit and instructed those with positions identified as misclassified to undertake corrective action. Wherever appropriate, the follow-up action was initiated by the Treasury Board and the process of correcting the misclassified positions has now been completed. In terms of information, this should be pleasing to the hon. member for Vaudreuil (Mr. Herbert).

The Treasury Board secretariat began a review of the classifications systems and procedures in all departments and agencies and in 1979-80 completed the review in 10 departments. Each department is required to prepare an action plan in response to the recommendations made and the secretariat monitors these plans to ensure that corrective action is taken.

The Treasury Board secretariat reviewed all occupational groups identified in the audit report as having special problems and has initiated corrective action. The board withdrew from all departments and agencies the authority to classify positions in the higher levels of the personnel administration, financial administration, economics, sociology and statistics groups. These proposed new positions or classification level changes in these cases are submitted for final decision to Treasury Board. Treasury Board has established specific procedures and time frames for correcting any misclassification. Here it must be understood that great strides have been taken to correct any misclassification areas which were built into the system. I am proud of the progress that has been made over the last short period of time.

In conclusion, over the past few years the administration and the policies and procedures of the classification system of the public service have been subjected to a comprehensive and detailed review—the first such detailed review since the current system was put in place—which has brought about an improvement and strengthening of the administration of the classification system of the public service of Canada.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in the few minutes allowed me to wind up this debate, I will in just a few words go over what we were intending to do in putting this motion on the order paper.

The motion deals with the subject of classification, but the intent is to underline again the desire of members of Parliament to be informed on the progress the government is making in implementing the recommendations of the various reports and studies that have been submitted to this House. I have said before, and I wish to reiterate, that nothing in my remarks in this debate is intended as criticism of the individual public servant. It is my opinion that the great majority of public servants have a position attitude toward their work. They regret and want to see an end to the widespread criticism of the efficiency of the public service, a criticism which should be restricted to the system and not to the individual.

I had some discussion in the last week or two with various individuals concerning the difference between the position of a member of Parliament and the position of a senator. When a report is tabled in this House, that is effectively the end of the discussion. There is no means by which the member of Parliament can continue the debate, in committee or in the House, or to pressure the government to report on progress, whereas in the Senate they have their own means to continue the debate on the subject as they desire.

In the future when we change the system in this House, we must find some means by which we have continuing discussion on the various reports that are tabled.

I would like to list three reports to which I referred earlier to indicate why it is so necessary that we have something from the government on the progress they made either in implementing recommendations or in deciding not to take action, and if they decide not to take action, we should know that.

The first report to which I referred was tabled in this House on Thursday, February 26, 1976, by myself as co-chairman of the Special Joint Committee on Employer-Employee Relations

in the public service. It contained 72 recommendations. As I said in my opening remarks in this debate, those recommendations were almost unanimous in the opinion of the members of the committee. That report is commonly known as the Finkelman report.

The second report to which I referred is commonly known as the Lambert commission report, the final report of the royal commission of financial management and accountability, which was presented to His Excellency the Governor General in March, 1979, and contains 165 recommendations.

The third report to which I referred, commonly known as the D'Avignon report, the report of the special committee on the review of personnel management and the merit principle, which was submitted to the then president of the privy council on September 30, 1979, contained 179 recommendations. In three reports there were a total of four hundred and some odd recommendations about which I as an individual and most members of this House would like some indication of progress.

After I made my initial remarks, we were told by the spokesman for the government that the President of the Treasury Board (Mr. Johnston) was making an effort to ensure that there would be more information flowing to the members. Based on this commitment by the President of the Treasury Board to inform members of Parliament on the progress of the implementation of these recommendations, I request leave to withdraw my motion.

The Acting Speaker (Mr. Ethier): Hon. members have heard the request of the hon. member for Vaudreuil. Is this agreed by unanimous consent?

Some hon. Members: Agreed.

Motion withdrawn.

Mr. Daudlin: Mr. Speaker, I wonder if it might be in order at this point to ask that you respectfully see it is six o'clock.

The Acting Speaker (Mr. Ethier): Is it agreed and so ordered?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At 5.29 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed, from Friday, May 9, 1980, consideration of the motion of Mr. Axworthy that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

On clause 1—

Mr. Hawkes: Mr. Chairman, I wonder if the Minister of Employment and Immigration could begin by giving us some idea of what we face in the way of an unemployment situation in the next couple of years. What kind of figures is he using in terms of estimates of the number of people who will be unemployed in this country in the next two years? In what month does he expect the highest rate of unemployment? Will it be next January, 1981? Will it be January, 1982? About how many people does the minister think will be involved?

Mr. Axworthy: Mr. Chairman, I think if the hon. member would revert to the statement which was made by my colleague, the Minister of Finance, when he outlined the government's economic position some two or three weeks ago, he would find those kinds of assessments made. As the chief economic officer for the government it is his responsibility to provide those kinds of estimates. As the hon. member will well know, such estimates are always subject to a great deal of variation, but I would refer him to those estimates. The Minister of Finance did indicate at that point in time that, in an over-all sense, with the recession we are contemplating taking place in the United States, and which is already in fact there, we could be looking at an unemployment range of 8 per cent to 8.2 per cent beginning in the winter of the forthcoming year. I obviously hope that that will not be the case, but considering the way we are affected by economic downturns in the international arena and in North America, we are looking at that kind of projection.

Mr. Hawkes: Mr. Chairman, as I remember the statement in the House of the Minister of Finance it was notable for its lack of completeness. It was a partial budget. I think the average unemployment rate which the minister was predicting at that point referred to this year, and I think if we look at econometric projections we will see that the situation is likely to get worse before it gets better.

Given the fact that this year began with a 7.4 per cent unemployment rate, an average rate in the neighbourhood of 8 per cent gets us moving very close to 9 per cent by the end of this year. I am interested so much in the percentage as to whether it is 7 per cent, 8 per cent or 9 per cent; I would like to ask the minister, because I think it is a very reasonable question and an absolutely essential piece of information for us as we look at his portfolio and the bill which he proposes here tonight, to give us some sense of how many people he thinks will be unemployed in this country during the worst month in the next two years, because that is absolutely essential to his planning.

● (2010)

Certainly I would assume that the Minister of Employment and Immigration, as he deals with the unemployment insurance fund, with job creation, with training opportunities with the mega projects, should have a set of numbers available to him in his department which would tell us how many people he thinks will be unemployed.

Mr. Axworthy: Mr. Chairman, I certainly do not agree with the Cassandra-like prophecies of the hon. member. I am a little surprised that he wants to dwell so distinctly in the depth of gloom and doom that he seems to be prescribing. As someone who has some acquaintanceship with the technicalities of projection and economic forecasting, he would know that the kind of precision for which he is asking is not possible. It is absolutely impossible to predict, to the exact month, what the unemployment rates will be. There are far too many factors and variables to take into account. He mentioned some of them himself.

We are certainly subject to variations, whether it is on exchange rates, interest rates, downturns in the international economy, varying degrees of supply and demand rates, programs of intervention that may take place, investment procedures, and while those things can be built into certain kinds of computations on an aggregate scale, I do not think anyone has a scale to pinpoint absolutely that, let us say, on January 15 there will be 973,000 unemployed, and that is why we tend to use percentages, because it is a better indicator of the kind of general patterns that we have to face in the economic forecast. Those patterns and indications were provided for in the statement of the Minister of Finance. I should point out, just to make sure that the record is perfectly clear, that those projections that the present Minister of Finance was making were not quite as severe as those that were predicted by the minister of finance under the previous administration, who was predicting, at that point in time, excess unemployment of 200,000 people, beginning in 1981-82.

I think that we have been able to scale those down, but I would say to him that until we are able to clarify some of the general economic factors that are affecting this country, particularly in relation to the pricing of energy, which is a very major depressant in terms of job creation, because it vacuums out so much investment capital from other parts of the region, then I think we have to be very careful about trying to cite specific figures because, as he would well know, those figures are picked up very readily and used, and we would not want to create any false sense of panic on the part of people simply by speculating on an area, which is very dangerous.

Mr. Hawkes: I believe it is a fair assumption, but I would like to check it out. Does the minister believe that the government has a role to play in the creation of jobs? Does the minister believe in that?

Mr. Axworthy: Well, obviously, Mr. Chairman, judging by the actions taken by this government in the past three months of its office, we obviously believe that there is a very important role to play in stimulating employment in this country. There are decisions that have been taken by my colleague, the Minister of Industry, Trade and Commerce, in his guaranteeing of the Chrysler loan in order to create tens of thousands of jobs in the automobile industry, the action taken to decide on the fighter aircraft, which will create employment for 15,000 to 20,000 people in the aerospace industry, the decision to negotiate the COLA arrangement in British Columbia to create several thousand jobs in those areas. So we have a major program of stimulus for economic development. My colleague, the Minister of Regional Economic Expansion, has a budget of over $600 million, which is directly related to the creation of employment in those areas in which there is some degree of inequity or inequality.

That is a very major commitment that we are putting into it, so obviously this government believes that we have a role to play, and we will play that role in a multitude of ways. We will play it in direct job creation, where we can help those who need the help most, where we can target into those groups that have the most severe economic needs. We will also help in a general aggregate sense of creating an economic climate in which employment can take place, and we will do it through our economic development initiatives, such as the ones I have announced. So our commitment is very clear, and I think it is one that has been proven out in the first three months of this government.

Mr. Hawkes: The minister's use of the word "target" is one that we encountered last Monday, in answer to a question of mine previously. It is certainly a clear-cut principle of the employment creation philosophy of this party, that we do, in fact, target employment where it is needed, when it is needed.

If I could back to my original question, I think a rational man, an organized man, who believes in job creation, would believe in creating the jobs when they will be needed most. Surely the minister can guess when the unemployment rate will peak in this country. Is it going to be January, 1981, February, 1981? It is going to be 1982? Surely, in planning for job creation, in a targeted sense, he must have a target as to when we should be creating the most jobs, because that is when we will have the greatest problem. In that context could the minister give us some sense as to when he thinks we are going to have the most difficulty in terms of unemployment?

Mr. Axworthy: Mr. Chairman, I am very glad the hon. member asked that question, because I think it does pertain to the kind of planning that we are doing. As I stated in the House earlier, one of the serious difficulties we faced when we resumed government was the fact that the previous administration had basically wiped out many of the direct job-creation programs. So there was nothing in preparation, nothing available for us to bring to bear on the cycle of unemployment which we face in this country. Certainly, in the historical sense, we know that unemployment peaks, in this country, during the winter months. That is why we had to introduce a program of which the hon. member was, unfortunately, critical. We had to introduce a program in an interim way that could be announced in June, so that it could start in operation in the fall so that it would be fully operative through the months of December, January and February, when seasonal unemployment is at its highest.

As I admitted in the House, we had to put together a program that did not give us the kind of time that we would have liked, simply because the cupboard was bare, there was nothing to bring forward. As a consequence, the programs and the budget and the estimates for that program had some limitations to them.

But to answer that question, that is why we have designed a program, as we have, to begin operation in September of this coming year, to reach its peak in providing specific targets into high unemployment areas beginning throughout the winter months, when unemployment tends to be at its highest.

But I should also like to point out to the hon. member that, in a way, we should not get ourselves lulled into believing that we can simply respond to seasonal variations, because one of the underlying philosophies of our own direct job-creation program is to tackle the hard core unemployment, whether it is in the youth sector or in the sector of people who have a minority status in this country. If you look at the figures, the way the labour market turns around in this country, there is a fair degree of fluctuation and mobility within that market.

The most severe difficulties are faced by those who are, in a sense, permanently unemployed, because they cannot get the first entry into the job market. That is why we are increasingly orienting our own investments and our own practices towards tackling that hard-core problem. It may be only 10 per cent of the young people who are the hard-core unemployed. The rest, eventually, over a period of time, find jobs. That is why we have to target, particularly on training programs, target in particularly on those who need first entry experience.

Mr. Hawkes: I would just like to follow up on the last comment first. Is the minister telling us that in his department he has research data which suggests it is a characteristic of the young people that makes them hardest to employ? This 10 per cent that he is talking about, are these characteristics inherent to the people, or are people more difficult to employ because of the characteristics of the region?

Mr. Axworthy: Mr. Chairman, I would say it is some of both. As a trained sociologist, which I believe he is, he would certainly be aware of the kind of studies and analyses that have been produced in the last several years. Perhaps the most pronounced and comprehensive study was the OECD study, about two years ago, which indicated that the problem of youth unemployment is not just a Canadian problem. It is a problem shared by every country in the industrial world. We are, frankly, facing a product of a population boom which took place, for example, after the Second World War. In fact, in Canada, we have had, unquestionably, the largest growth in the number of young people in the job market, over the last seven or eight years, of any country in the industralized world. It is a problem we share.

As well, as a sociologist, the hon. member would know that the handicaps people face in the job market are partly a product of their own environment. Lack of education is an obvious difficulty for those who grow up in a region where they do not acquire skills or educational capacities, for whatever reason. Sometimes it is a product of geography. Unfortunately and tragically there are regions of our country where there is not much of an economic base upon which to build jobs.

● (2020)

Some of my colleagues in this caucus have brought their constituents to see me. For example, the hon. member for Madawaska-Victoria brought a group of people to see me who were honest, hard-working, dedicated people. They wanted to work in his region of the country and there was just not the economic base there to provide employment. They spend most of their summers travelling to do agricultural work in Ontario, but when they return to their home areas in New Brunswick, simply there is no work for them. That is one of the reasons why we went into direct job creation, to ensure that they would have opportunities to work if they wanted to do so. The hard core areas of unemployment are products of population problems which are shared industrially throughout the entire world. Partly they are a product of geography and individual deficiencies, sometimes not of a person's own making, such as family characteristics or whatever. In this situation we see substantial changes taking place. That is why we have entered into a very major review of the employment issues of the 1980s.

We have asked for a parliamentary committee to be formed under the chairmanship of the Honourable Warren Allmand. I believe the hon. member will be a member of that committee. It will be an opportunity for parliamentarians to cross this country in order to look at and assess the problems of shortages, and unemployment issues across Canada, in a public manner. We have put together a major task force of my own commission on employment and immigration. We are pulling together people from different departments in the government to begin to understand what changes are taking place in our economic structure, so that we can put together a proper design which will enable the government, provincial government and the private sector to begin to combine their efforts more effectively to meet the new employment demands and requirements of the next decade. In the meantime we have this

interim program to make sure we can handle the short-term problems.

That is one of the things I felt very strongly about when I took over this portfolio. I realized that we had to do a very careful review and analysis of the kinds of things we had to look forward to, so that we could change the programs which required change and put together a package of employment initiatives and partnership within the public and private sectors.

Mr. Hawkes: Mr. Chairman, I presume the questioning must shift fairly soon to someone else for a while, and perhaps it will return to me, but after 20 minutes I am becoming increasingly disturbed. Can the minister tell us why he has no officials here? I think it is fairly common knowledge throughout government that, next to Statistics Canada, the minister probably has the largest budget for researchers.

I have attempted to identify a couple of very, very basic sets of numbers, but I have not been able to get them in 20 minutes. It would be irrational and somewhat irresponsible for the Parliament of Canada to deal with this bill which provides taxpayers' funds for the creation of employment when we have no projected sense. I realize that estimates are estimates, but we have no projected sense of how many unemployed we are dealing with here. Do we really need to create jobs? The minister's rhetoric seems to exceed his knowledge with some frequency, but if he tells us in his rhetoric that he is concerned about targeting employment, giving help to those who need it most, then I think one would expect the minister to be able to tell us the characteristics of those who need the help the most. Is the geographic problem the dominant one that we are dealing with here? Is it characteristics of individuals who are amenable to training?

With the large budget the minister has available to him, surely he could have a couple of officials here who may have better data than the minister is carrying around in his head. How can the minister expect us to approve an expenditure which is unlimited in terms of this bill? According to his own figures, it is at least $100 million. How can he expect us to approve that if we do not know what it is for? What is the dimension of the problem that this piece of legislation is intended to solve?

Mr. Axworthy: Mr. Chairman, I apologize to the hon. member if he has been unable to understand what I have said. I have attempted to be very forthcoming with him. I do not quite see the logical connection between having a research budget and having two officials sitting here at a table. If he feels he needs the security blanket of two officials sitting across from him, I would be quite happy to provide them.

In the short time I have been in this ministry, I have made an effort to acquire the information. I think it is a ministerial responsibility to provide it. I am providing it to the hon. member. Unfortunately he does not want to listen to it. If he does not want to listen, there is nothing I can do in my power to make him listen. I am not using rhetoric. I have told him exactly what we expect in the way of unemployment figures. I have given him the percentages and assessments of the Minister of Finance. I have told him that we see specific areas of real need in the country caused by changes in the population pattern. There are still a large number of young people who will need employment assistance. There are still major initiatives which have to be taken to assist women to come into the work force and to gain more equal salaries for the same kind of work. There are regional variations of very severe kinds. Those are existent matters which are both historical and contemporary. That is the basis upon which the planning is taking place.

I should like to go back to the remarks of the hon. member, who seems to be so absolutely preoccupied about how we will target things. It is curious. When he opened the debate in this House in response to this bill, he claimed that we apparently could not do any targeting with this bill, it was a shotgun approach. The hon. member cannot have it both ways. He cannot be arguing that somehow we should be targeting when he is also saying that it is a shotgun approach. We are talking about one means of creating employment, the employment tax credit. It is designed to provide an incentive to the private employer to provide for incremental work. The reason we have combined that with other kinds of measures is that we do not feel there is any one solution to the problem. We need a variety of solutions. We need to be able to orchestrate those solutions. That is why we are providing a combination of measures, so that we can focus in on the problems.

If the hon. member feels insecure, disturbed, and overwrought by the lack of the presence of some public servants on the floor of the House, then I would be very glad to provide them. I would not want to be the cause of a nervous breakdown of the hon. member for Calgary West, but I would suggest that he is receiving exactly the answers deserving of the kinds of questions he is asking.

Some hon. Members: Hear, hear!

Mr. Friesen: Mr. Chairman, I live not too far from Mount St. Helens. I think there is a correlation that can be drawn between the eruption we got here and what the people back home have been getting.

Mr. Kempling: The fallout is just as bad, gas and ashes.

Mr. Friesen: Gas and ashes, that is right. I should like to direct a couple of questions to the minister, but I will preface them with a little bit of background. As I understand the measure, it deals with two changes in the UIC program. One is the change in premiums and one is a change in administration or the funding.

Mr. Hawkes: You are not on the right bill.

Mr. Friesen: Am I not on the right bill?

Mr. Epp: Does it ever make a difference?

Mr. de Corneille: That is just about as relevant as all the other stuff.

Mr. Friesen: That is right. I have been listening to the torrent coming from the minister and I could not tell what bill he was on. As the former hon. member for Timiskaming used to say—and I am sure the minister took lessons from him—it really does not matter if one knows nothing about the bill; one can make a real good speech, in fact a better speech, if one knows nothing about it. I will defer until we come to this next bill, but I will be ready for you then, sir.

Mr. Blaikie: Mr. Chairman, there are a number of things on which I would like to seek a response from the minister this evening regarding problems of unemployment for which the employment tax credit bill ostensibly proposes to provide a solution, at least partly.

● (2030)

In my riding of Winnipeg-Birds Hill just last week there were a number of employees of the Canadian National Railway, some 49 at Transcona shops and another five at the Symmington yard, who were laid off their jobs, and there is a similar number scheduled to be laid off in the coming weeks. Indeed there are rumours of even more lay-offs.

I should like to ask the minister, in view of his concern about unemployment, what the government, and what he in his capacity as minister of employment, are doing about this latest move of the Canadian National Railroad in abandoning its extensive hiring and expansionist intentions of only a few months ago and now proceeding to lay people off? I ask this particularly in view of Canada's high unemployment rate, certainly much higher than any of the statistics being tossed about tonight would indicate: Unemployment is higher than those statistics if we consider the hidden unemployment and the tremendous concentration of unemployment, not just in various regions but in various parts of our cities.

I should like to ask the minister what he thinks himself capable of doing in respect of this latest action of the CNR, taking into account particularly the unfairness of hiring people, creating expectations of permanent employment, only to lay those people off in a short time, facing them again with economic uncertainty. Will the minister undertake to speak with his colleagues, the Minister of Transport and the hon. gentleman in the other place, who may or may not be responsible for the Canadian Wheat Board, to see whether the CNR could use this time to catch up on its repair work, repairing all the many grain cars and hopper cars that require repair, continuing the employment of people in this important enterprise, rather than contributing to the unemployment problem we have by allowing these layoffs?

Mr. Axworthy: Mr. Chairman, I think the hon. member's question is very important, but I am not sure I would judge it as relevant to this bill.

The issue of lay-offs in railway yards is one that would give those of us who live in the Winnipeg area some concern. I would ask the hon. member to treat it with some degree of perspective. As long as I have been living in Winnipeg the railways have been laying people off and hiring people. It is a cyclical industry; it goes up and down according to the season. I have not read of massive lay-offs by the railways. If I remember the figures accurately, the railroads in Winnipeg have been very consistent employers with a reasonably stable work force.

If the hon. member is asking what measures I am taking, I would draw his attention to the initiative that we announced only last Friday. Through the co-operation of several of my colleagues we were able to put forward a major proposal for the city of Winnipeg to create substantial renovation and rejuvenation of the core area, including work in some of the railroad yards, both CN and CPR, if that is the choice of the city. This will create several thousand jobs in Winnipeg over the next five or six years. Already we have taken substantial action to provide a major stimulus to the employment situation in Winnipeg.

I would like to thank the hon. member and some of his colleagues in the NDP caucus for their support during the period when we were trying to get the kind of encouragement that was necessary to bring those measures about. This is one significant measure that will have a major and beneficial impact on the employment picture in Winnipeg.

Mr. Blaikie: Mr. Chairman, the minister knows just from listening to what I had to say that I was not trying to portray any sort of cataclysmic event happening at the CNR, but merely trying to draw his attention to a fact, a situation, in which I think management is making some errors of decision.

We have an opportunity to build up the grain car and hopper fleet of those railroads which are in the habit of saying they do not have the equipment to move the grain. The minute they experience a revenue drop they begin to cut back on their intentions to rebuild their fleets. I think this is something that would merit conversation with the president of the CNR, to discover why they are doing this, whether there might not be alternatives, and whether they might be able to put this time to better use.

My second concern, and it follows on something the minister said, has regard to what was announced last Friday in Winnipeg and, indeed, what was announced on Monday in regard to the employment strategy of the government.

The minister is overplaying the extent to which the announcement he had to make on Friday and, indeed, the announcement of Monday, are going to solve or even come close to solving the problems the city of Winnipeg is experiencing in many different respects. The program announced on Friday involves money, as I understand it, that is not going to come into play until 1981. There is going to be a study first, as if the core area of Winnipeg had not been studied enough, and as though we did not know what kinds of things need to be done there already. The minister in his former capacity presided over many studies, and I presume that if those studies had any quality we can go to them for recommendations on what should be done in the core area of Winnipeg. I think much is being made of little in the rhetoric we are hearing about what was announced on Friday. There has been no articulation of

how that money is going to be spent, what programs are to be in place, or any indication of just what form the spending of that money is to take. Until we hear that we cannot make a judgment as to whether, indeed, what was announced last Friday will address itself to the problems of Winnipeg.

Another aspect of the very same problem is related to unemployment in the inner city of Winnipeg. I read in the minister's speech of last Monday something about the Community Services Project, this new program which will do so many good things for the cities in which it is implemented. I suggest to the minister that this is very much a recycling of what existed before, the Canada Works plan. If it is intended to be an improvement of the Canada Works plan, I suggest it does not go anywhere near meeting the aspirations of those who have had experience with the Canada Works plan and know the inadequacies thereof.

There was a meeting in Winnipeg during the election. The hon. member for Provencher was there and perhaps he will recall it, at which a group presented recommendations for further employment programs in the inner city. One of the things they asked for was a three-year cycle in respect of any kind of program, whether it was to be called Canada Works or Community Services.

I notice that the three-year cycle of the Community Services Project is a diminishing three-year cycle. It is to be funded fully in the first year, and the percentage of funding is to diminish over the next two years. Certain conditions are attached to the programs to be funded in the first place and whether or not they are to be continued. An example of those conditions is whether they have any possibility of being sustained by user fees in the future, introducing the concept of user fees into social services. The minister should know from his experience in the city of Winnipeg that any program which is asked to be dependent on user fees in the inner city will not address the problems of that particular area. He should know that such a program will not address problems of unemployment.

We have heard about rates of unemployment of 7 per cent, 8 per cent and 9 per cent. A study done by Winnipeg School Division No. I shows that among the adults around Dufferin school in the inner city of Winnipeg there is a 60 per cent unemployment rate. Also in the inner city around William Whyte school there is a 55 per cent unemployment rate, around David Livingston school a 45 per cent unemployment rate, around Norquay school in North Point Douglas there is a 44 per cent unemployment rate, and around Strathcona school across from where I used to work, Robertson House, there is a 39 per cent unemployment rate. There are 28 schools in whose areas there is a 13 per cent or greater rate of unemployment among the adults of the children who attend those schools.

● (2040)

Clearly the program which the minister announced on Monday will not address itself to these sorts of problems, and neither will the employment tax credit program. It is incumbent upon the minister not to mislead the public and say that these programs will solve our problems, particularly when there is nothing within them which is geographically specific to address the particular problems of the inner city. For instance, the whole Community Services project is designed to continue the very problems which people for years have been asking be corrected in those kinds of employment programs.

What kind of problems should be corrected? We must get rid of certain problems and introduce programs so that there will be some security, so that people who embark upon jobs will know whether or not they will have that job next year at the same time, when the grant must be renewed. I notice that the community development aspect of the program is for a term of one year. This does nothing to eliminate the insecurity of working on these particular programs.

In the one program which is of a longer duration, three years, people will still have to look for other moneys every year because of the diminishing effect. The minister should know the problems which the community school's programs in the core area of Winnipeg had when it had to find money because the provincial government and the school board began to pull out. He should know the work that went into getting United Way funding for that particular program. This is exactly the kind of burden which the minister is laying on every project under the auspices of this Community Services project.

It is a grossly inadequate answer to the kinds of concerns which have been placed before the minister in his capacity as minister and in his capacity before he was elected, concerns of which the minister should be well aware. These are problems which have been apparent for years. I invite the minister's defence of these particular programs, and ask him not to indulge in the kind of hyperbole to which we have become accustomed in listening to him describe his initiatives. Would the minister tell us how these particular programs will solve the problems of the 60 per cent and 55 per cent of the people who are unemployed in some of the areas around the inner city schools?

I hope that the minister will not try to tell us about the great things which will happen because of the announcement that he made last Friday, because it is not clear, and it will not be clear for some time, whether that money will be used to redevelop the core area of Winnipeg for the benefit of the low income citizens of Winnipeg, the tenants and the people who inhabit that area, or whether it is to be channelled according to the dictates of the ICEC on city council. The things which have just occurred to me that I would like to say about the ICEC, Mr. Chairman, would be unparliamentary, and I had to pause for a moment. It is not clear how this money will be spent and whether it will in any way be beneficial to the people who are unemployed to this great extent.

Mr. Axworthy: Mr. Chairman, I apologize to the members of the committee if this is beginning to sound like Winnipeg night in the House of Commons. The hon. member for Winnipeg-Birds Hill brings up some very interesting questions about job initiatives and how they might affect the inner core of Winnipeg, an area about which he and I have had concern for several years. I find it somewhat strange that the hon.

member is attacking me and my government on its great failures after we have been in government for only three months, for not solving the unemployment problems of inner city Winnipeg.

Miss Jewett: For 12 years.

Mr. Axworthy: I was just about to say, Mr. Chairman, I have always taken the posture that each new government starts afresh in its approach, and that we cannot be laid down with the sins of our forefathers. But before members opposite get too agitated, I would like to remind the hon. member for Winnipeg-Birds Hill and his colleagues that we had an NDP government in Manitoba for eight years. During those eight years I did not see the unemployment rate go down one percentage point, or any great improvement in the inner city of Winnipeg. They were there and they had the opportunities, the commitments and the resources.

I would also like to remind the hon. member that the initiative that we took on Friday was the first major social economic initiative in the inner city that has been taken by a major government, including the hon. member's provincial government which was NDP for eight years.

I do not wish to debate the point, but I think that it is important that the hon. member understand and that we exchange thoughts in a reasonable way. The problems of hard core unemployment will not be solved overnight. I did not say that they would be in my statement in Winnipeg on Friday, nor in my statement in this House on Monday. I said that we must work at these problems with all the resources at our command, but I did not say that they would be solved right away. These problems have been with us far too long and in far too many ways.

Any government is restricted by the kinds of resources that it can bring to bear, because there are demands from across the country, not just from the inner city of Winnipeg, but from the northeast corner of New Brunswick, the Gaspé of Quebec, northern Ontario and Athabasca. There are unemployment problems of a hard core nature which have been around for years because of the very nature of the economy and the geography of our country. I can tell hon. members that I will work as hard as I can.

I said earlier in response to questions raised by the hon. member for Calgary West that in the three months of this government we have taken decisions on the northeast coal in British Columbia, on the fighter aircraft, on Chrysler, and a number of other decisions. We debated this afternoon a bill on fisheries enhancement to raise the opportunities for people in the maritimes. We are working at the problems in a very consistent and enduring way. But if the hon. member from Winnipeg-Birds Hill thinks that we somehow can wave a magic wand and unemployment will vanish overnight, then he is living in a dream world. I suggest that he come back down to earth where we are and work on the problems in a very realistic manner.

Miss Jewett: Well then, cut out the rhetoric.

Mr. Friesen: On a point of clarification, Mr. Chairman, did I understand the minister to say the fisheries enhancement program which he announced yesterday?

Mr. Axworthy: No.

Mr. Friesen: The day before yesterday?

Mr. Axworthy: No.

Mr. Friesen: Within the last one, two or three days. Did I understand him to say that that program is restricted to the east coast?

Mr. Axworthy: Mr. Chairman, I do not want to mislead the hon. member. We are not talking about that bill either. We are talking about the bill which was given second reading today and which was introduced by the Minister of Fisheries, to provide increases in loan agreements. I understand, having sat in the House this afternoon and listening to the debate from both sides, that it will apply to anywhere there is fish.

Mr. Friesen: That is not fisheries enhancement. He doesn't know what he is talking about.

Mr. Blaikie: Mr. Chairman, nothing is more amusing and more cynical than the Minister of Employment and Immigration rising and disowning everything which the Liberal party has done prior to his election in Winnipeg in May, 1979. Who was the major contact person, the major voice of the Liberal party in Winnipeg? Who was the person who told the Liberal party what decisions to make with regard to Winnipeg, if it was not the Minister of Employment and Immigration? Maybe this is the beginning of a trip down the road to Damascus because we now find him getting up and disowning everything which the Liberal party did before his election. He is saying, "Well, I admit that things were rough, but now I am in cabinet and things will be different from now on."

I would also remind the minister that there were major initiatives taken in the inner city by the NDP government when it was in power. The minister says I live in a dream world. I make no apologies for dreaming about what we could do in the city of Winnipeg and other inner cities in this country if we had the political will and imagination that is so desperately lacking in this legislation.

● (2050)

I would remind the minister that the NDP government initiated the community schools program; the NDP government built housing in the inner city, and the NDP government did a number of things within the inner city that the minister was wont to defend when the Progressive Conservative government of Manitoba that came to office in 1977 started to dismantle them. Has he forgotten what he used to say in the legislature, Mr. Chairman? It seems that his memory is indeed short.

I submit that all this hoopla about announcements on Monday, and particularly announcements on Friday, is meant to cover up the fact that the Minister of Employment and

Immigration was unable to live up to the expectations he deliberately created in the city of Winnipeg in the spring of 1979, prior to the May 22 election, about rail relocation. Now he flies to Winnipeg, saying, "We could not get rail relocation, but how is $50 million or how is $180 million?" depending on which paper you read in Winnipeg. That is what was really going on last Friday afternoon.

Instead of accomplishing rail relocation and instead of living up to the hopes that were deliberately created in the futile hope of defeating members like the hon. member for Winnipeg North Centre—trying to create some political subterfuge in the inner city and trying to garner Liberal candidates from the unsuspecting group of citizens who were trying to defend their community against the Sherbrook-McGregor overpass—that is what was really going on in the spring of 1979. All the hoopla last Friday afternoon was designed to save the political face of the Minister of Employment and Immigration and put the ball back in the city court. Perhaps that is where it belongs. He is certainly not the only culprit in this drama. I submit to you, Mr. Chairman, that that is what has been going on in all these announcements made by the minister. I invite his response to my submission. We will see how short his memory is on other subjects.

Mr. Axworthy: Mr. Chairman, I am very pleased that the NDP is now taking the position that a $50 million investment is simply hoopla. I think taxpayers will be glad to know that they have such disregard for the public purse, such disregard for the most major initiative taken in the city of Winnipeg in the last several decades.

I want now to respond to this total distortion that the hon. member for Winnipeg-Birds Hill is trying to perpetrate. I am surprised at him; he is not usually prone to that kind of parliamentary tactic.

Just to make sure that the record is straight, and that he has things straight, Mr. Chairman, the announcement that was made concerning Winnipeg's rail relocation made it clear that the federal government was prepared to live up to its financial commitment if there was a decision to take relocation. That is the only decision we could make. Because of constitutional requirements we are not in a position to dictate priorities to local governments.

Mr. Blaikie: You did not tell the people that last spring.

Mr. Axworthy: The only question put to us was to know if we were prepared to pay our fair share of the cost. On Friday we were prepared to pay our fair share of the cost, but we cannot do that unilaterally. We depend upon the co-operation and participation of other levels of government.

If the hon. member for Winnipeg-Birds Hill is telling me that he is prepared to ignore totally other levels of government, to disregard totally the constitutional responsibilities of the BNA Act, and is prepared to forget about any spirit of co-operation, that does not say much for his approach and his philosophy. It sounds very autocratic to me—he will get his way regardless; he does not care what the other levels of government think; he is not prepared to work with them. I point out to the hon. member that we have to work the way the country is constructed, not remake it to suit anybody's illusions. There was a commitment. The money may still be spent on rail relocation because there was an agreement to study that as a possibility.

I see the hon. member who represented Elmwood in the provincial legislature in the House. He stood up in that legislature and said, "Forget relocation; our party does not stand for that." He was the worst critic, Mr. Chairman. The things he had to say about me shocked me, and made me embarrassed. The language he used, Mr. Chairman!

An hon. Member: Poor Lloyd.

Mr. Axworthy: It touched my sensitive nature that the hon. member from Elmwood was prepared to reject completely any concept of relocation, and spoke on behalf of the NDP caucus in the provincial legislature on that issue. I think that was unfortunate. I regret that a political ally of the hon. member for Winnipeg-Birds Hill was prepared to take such an outlandish position. It helped destroy the spirit of co-operation that we were trying to build and which we have succeeded in building through our initiative. The federal, provincial and municipal governments are now working in a spirit of harmony for the betterment of the city of Winnipeg.

Mr. Taylor: Mr. Chairman, I should like to advise the hon. minister that the last speaker for the NDP was correct. Unemployment under the NDP in Saskatchewan did go down; thousands of people from Saskatchewan moved to Alberta!

Some hon. Members: Hear, hear!

Mr. Taylor: That shows what free enterprise can do because that is the way they are moving in that part of the country.

I should like to ask one or two questions and I should like them answered as simply and as accurately as the minister can manage. The reason I say that is that I think if there is an employer listening to this debate or watching it on television tonight, nothing has been said that would indicate to him how he can benefit under this legislation. If I were an unemployed person with a hungry wife and youngsters living on welfare, nothing has been said tonight that would give me very much hope.

Surely the purpose of the bill is to provide employment for some people. I do not think any bill can solve all the problems of unemployment, and it is ridiculous to say that it will. It will take a combination of things to get this country working again. May I ask the minister if there is any geographical area in the country where the bill is not applicable?

Mr. Axworthy: Mr. Chairman, before I correctly answer the hon. member's question, I would point out to him that in Manitoba we think somewhat differently. When the NDP was in power in Saskatchewan people left, and when we elected a Tory government they left in even greater numbers to go to Alberta. So it works both ways, Mr. Chairman.

To answer the question, Mr. Chairman, I must say there is no geographic limitation at all. The bill applies right across Canada. The only requirement is that it must be an employer who makes the application. In the initial evaluation we found that about 60 per cent or 70 per cent of the applications are from employers with less than 20 employees, so it tends to be the smaller employers who use the program with the greatest frequency. This means that certain regions of the country use it less because they do not have the employment base, so that there is some regional variation. It is applicable across the country, however.

Mr. Taylor: Thank you, Mr. Chairman. Now let us suppose there is a grocer who would like to extend his business and wants to hire one or two more people. What steps would he take to derive benefits from this legislation, and what would those benefits be?

Mr. Axworthy: I should point out, Mr. Chairman, that one of the important provisions of the bill is that any applicant must demonstrate that there will be an actual increase in the work force. It simply cannot be a replacement of workers. There must be some demonstration that there is a base of employees that has been in existence for some period of time and that the employer wants to add additional numbers to that. What is then required is that the employer is able to get a benefit under this bill of anywhere from $1.50 to $2 an hour in terms of a tax credit against his taxes for that year. If he does not have actual taxes in that tax year, he can spread the benefits over a five-year period.

● (2100)

Mr. Taylor: Mr. Chairman, how would that grocer go about it? Does he have to get approval for additional staff that he is going to hire, or does he simply do so and then fill it in on his tax forms at the end of the year?

Mr. Axworthy: Mr. Chairman, I would suggest that the easiest way for that grocer or any other employer is to contact our regional office. In the province of Alberta, for example, we have close to 13 employment commission offices. If they were contacted they would be very glad to send the forms, and provide any counsel or advice that they would require under the program.

Mr. Taylor: Mr. Chairman, would the minister enlarge on that? I am wondering if the grocer has to get approval before he comes under this program?

Mr. Axworthy: Yes, Mr. Chairman. The grocer and the employer would have to be approved. They would have to submit the application. It would be evaluated by our office. If it met the criteria and the conditions, then it would be approved, but there are certain standards that they would have to meet.

I would be very pleased to send the hon. member a package of materials, with the application forms and instructions, so that he can look at them himself and use the material for any referrals. I will send that to him in the next day or two.

Mr. Taylor: Thank you, Mr. Chairman. Who actually gives the approval? Is it the district office, the minister or, to put it move broadly, does the hon. member in the House of Commons representing that particular area have anything to do with it? Who actually gives the approval?

Mr. Axworthy: Mr. Chairman, the approvals would be departmental approval. Because we are dealing with several thousands of applications, it is not something for which the member of Parliament has an advisory capacity. We are using that mainly in connection with job creation because it is community oriented. This is something where there is a direct contractual arrangement between the employer and the commission of employment and immigration. They would submit the application. It would be evaluated and approved at the regional level and then monitored from that point on. The only other criteria that I should mention is that we would then be in a position to refer employees from our registry to that employer.

Mr. Taylor: Mr. Chairman, I would like to make one or two short comments. As I believe the minister would know, we have a difficult problem in getting employees to work on farms. Many of our farmers are really up against it. They get frustrated when they read of the number of people who are unemployed in cities such as Calgary, Saskatoon, Edmonton, Winnipeg and so on, and yet they cannot get anyone to work on their farms. Some of it is specialized labour because a farmer does not want just any Tom, Dick or Harry, or Mary, Ann or Josephine to operate his $40,000 tractor. But a lot of it is pretty simple work, such as fencing and looking after turkeys, etc..

Some hon. Members: Oh, oh!

Mr. Taylor: Is there provision made for a farmer to come under this program?

Mr. Axworthy: Mr. Chairman, I am tempted to respond to the hon. member's latter point, but I will not!

The agricultural area is not covered by this bill because of the tremendous seasonal variation and the work that is required. But I would suggest to the hon. member that there are programs under our department dealing with agricultural workers. We do set up agricultural pools. He probably knows that within his own province of Alberta there is a very active student exchange program for agricultural students, where we bring in a large number of students from European countries, in particular, to work on farms in western Canada. But this particular program would not apply in that case because it is much too difficult to measure and evaluate whether it is incremental work or additional work or that it would continue, say, for the full 46 or 50-week period.

Mr. Taylor: Mr. Chairman, the minister mentioned about the exchange program bringing students over from Denmark, Sweden, and so on. This is an excellent program. Many of these young people come for a definite period of time. It is quite frustrating for the farmer when he gets a real good lad

from Denmark or Sweden, and there are some excellent lads who have come from those countries who understand farming and who are a real asset to any farmer, but then they have to go home. Many of them would like to stay here and I think they would make excellent citizens. I would urge the minister, because this comes under his jurisdiction in the immigration branch, that his department be more tolerant in allowing these excellent young people to stay in Canada. They are an asset to this country. I know of two or three who have had to go back. The farmer was left really helpless in a couple of cases because he could not find help, and the young men wanted to stay and become Canadians. I would urge the minister concerning that particular aspect, but I realize that I am a little off course with regard to this particular act.

There are one or two comments I would like to make following the information which the minister has given us about employees getting into this program. Every time a small shopkeeper hires one more employee, we reduce the number of unemployed in this country and help make that individual and his family happier, and we create a better country. If we can get thousands and thousands of our small shops hiring one or two employees, expanding to that degree, and many of them can do it with a little help, then we will make a dint in the unemployment statistics.

I would suggest that the procedure of coming into the program be kept as simple as possible in order to keep control of it, and that we concentrate on trying to get more and more of our small shopkeepers—many of whom are working 12 to 14 hours a day, who would like to cut down on their own hours—to hire another employee. This could be done if they could just get a little help at the financial end to do it. It is surprising that, once they hire another employee, the business increases. Many times they are able to keep that employee. I think that this program can do a lot of good. I would suggest that it be administered with as much simplicity as possible so that people will not get frustrated and discouraged when they are trying to get approval for the hiring of employees and the expansion of their business.

Some hon. Members: Hear, hear!

Mr. McCain: Mr. Chairman, would the minister be kind enough to enlighten the House on how farmers can take advantage of any program which is a part of his portfolio? He mentioned that there were programs within his department and within his jurisdiction of which farmers could take advantage. Will he tell us to which programs he refers and how does one go about taking advantage of them?

Mr. Axworthy: Mr. Chairman, as I pointed out in the answer to the question raised by the hon. member for Bow River, farmers can use this program if they are talking about 12-month employment. If it is simply the seasonal variation, part-time worker, then they are not applicable. If it is full-time additional work, then they are available to him.

The other way in which we assist farm workers is through the departments agricultural pools. Those are most common in southern Ontario where they have a very strong demand for seasonal workers. I think this also takes place in my own province of Manitoba where there is a very strong demand for agricultural workers in the Portage la Prairie area in market gardening. We organize agricultural polls. At the same time we are prepared to bring in offshore workers on certain occasions, or workers from other provinces and we undertake to help in the mobility in those kinds of areas. Those are the kinds of things which the organizers in each of the regional offices implement.

• (2110)

Mr. McCain: You are not speaking there of money that is part of or in lieu of wages for training. You are speaking of the department of employment seeking people to fill jobs, yes for agriculture, but you do not spend any money on that other than going through the exercise of aiding to locate the individual who will then be employed on the farm. In terms of grant money which is going to help every other industry, do you have any programs, 12 months or otherwise, whereby there will be money spent in aid of training of agricultural help? If so, under what act does it come and how is it arranged?

Mr. Axworthy: First, Mr. Chairman, I do not think we should be too disparaging about the value of the ability of our department to act as the mechanism for making sure that farm workers are able to go where they are most needed.

Mr. McCain: On a point of order, Mr. Chairman, I am not being disparaging of the department. I merely defined the field in which they worked. That does not include supplements of income or income training money in any part of that program. In what part of the program, under what act and what regulation is it possible for a farmer to employ somebody and have you pay part of the cost of that employee as training for a farmer?

I am asking the question in ignorance. I do not know the answer. The minister mentioned that they do help farmers. I want to know if they help them in this way and, if so, under what program.

Mr. Axworthy: Mr. Chairman, I apologize to the hon. member. I was just saying that I think in many ways there is a substantial financial value to the farmers by the services we provide. What I did indicate in answer to the hon. member for Bow River is that they can use this program as long as they are talking about a full-time employee over an extended period. If it is simply a matter of a seasonal worker coming in for a short period of time, this program obviously will not apply. If there are, as they say there are, certainly in our part of our country, very large farms with major numbers of employees and they see an opportunity to add incremental workers—and I would point out this is not a training program, it is an employment program—that means they are simply adding an incremental worker.

Obviously the experience of that work will be of some assistance, but that is the way in which we can directly help in

the using of the tax credit program, namely, a farm operation that is able to cover that kind of more extended work opportunities, not the seasonal variations which most farmers experience.

Mr. McCain: Mr. Chairman, applicants for assistance in training programs in my constituency have applied for as few as one person and they have been denied any assistance, while applicants who are applying for anywhere from five to 100 have on occasion been given assistance under legislation of this type. I would like to know why it would be that, let us say, a tradesman such as a machinist who wants to bring somebody in and train him, a tradesman who is properly qualified and has his licence, that he would not be eligible when he applies for a single person.

Mr. Axworthy: Mr. Chairman, I would suggest that if the hon. member would like to put down the exact case and circumstance, we will look into it. Under our training programs we have the Critical Skills Training Program which is designed to provide major incentives to employers for high technology skills. It is a program that is applied across the country, as I announced in my statement on Monday. We just added an additional $10 million to it to bring it up to standards, but that is for high technology jobs. Most of the other training programs under the Canada Manpower Training Act are designed for institutional training. We buy positions, in effect, in the community colleges and institutions run by provincial governments. What we do is pay the allowance of the applicant for them and we provide certain support for those institutions to continue.

The actual training is offered by the provincial community college or vocational college system. We buy places with them and then they refer to our employment offices those who apply for them. That is the way the system works. If the hon. member is suggesting that we look at a special program for the training of agricultural workers—

Mr. McCain: I said machinists.

Mr. Axworthy: If someone is to be trained as a machinist, there is certainly every opportunity through our training programs for them to acquire those particular kinds of skills, but up to this point in time the major emphasis has been through the institutional system. I would just say from the figures that offhand we have 240,000 to 250,000 participants in that training program on an annual basis, going at different time periods. We have committed well over $800 million of this government to training programs. With regard to their ability to work on farms as machinists, there is certainly no limitation or restriction whatsoever.

Mr. McCain: I am glad to hear that, because in practice it has not worked that way. The employer who might need an individual person has had great difficulty in obtaining an apprentice or a new body to enter into the machine shop trade in our area. Since the minister referred to its value to the constituency of Madawaska-Victoria, I hope it will extend all over New Brunswick and that there will be additional latitude extended to employers who want one man at a time. That is very important.

It is also important that there be some very careful guidance supplied by the offices of employment. I received a phone call only today with respect to two people who have applied for a short training course which is supported by the department. Both people work for the same employer, both applied for the same course, and both put in the same application. One received the assistance, the other has been asked to refund it.

There is something wrong. This is a very gross misunderstanding between two people who have gone through the same course to get exactly the same training and exactly the same help. I will be writing to the minister. I hope we can resolve this problem because it is just a matter of some misunderstanding, some regulation, and some guy has made a decision in the department which is very discriminatory to one against the other. I hope the minister will be able to consider it.

I would like to ask the minister, in consideration of the work of his department, if he would give some thought to a variation in the decision-making process and in the allocation of funds in the make-work projects under both Canada Works and Young Canada Works.

I have written to the minister with regard to some applications made in my constituency, applications which stood for the long-term good of the young people of the community. The applications were made by new applicants who found themselves under difficult circumstances for a particular period of time. They have been rejected for various reasons. I would point out to the minister that when these applications passed over my desk, I inquired how much input I would have as a member and as to any influencing of the decision. I was advised virtually none, that the discretionary power, if any, would rest in the hands of the minister, that the selective committee of the make-work branch of his department would pass on these, make the decision, and make recommendations to the minister.

I made my representations on behalf of some which I thought should be considered, after I was advised that they were precluded from being eligible. One, for example, is the development of an athletic facility in a town where they are doing an outstanding job and could have used some student help this year very advantageously. It was decided that because the work was menial, it would not be proper to ask students to do that work. Second, and this disturbs me, it was decided on information from other than the sponsors that the work was not necessary. With no communication with the sponsor, the project was rejected. I approached the staff of the minister's office and appealed to the people who made the decision before it arrived on the minister's desk.

• (2120)

I am particularly concerned about the status of the member of Parliament in this decision-making process. The minister's Liberal predecessor had established—and I am sorry it was abolished; that was not right—a ministerial advisory board drawn from the constituency which knew the constituency and,

in particular in rural constituencies, the community. It made very sound recommendations both to the minister and to the member. I respected those recommendations totally when they were made. Those boards have disappeared. This has now come into the ministerial office.

I have been advised by an applicant—not in my constituency; otherwise I would be much more angry than I am at the moment—that a letter has come from the minister's office to say that the member involved did not recommend this project and therefore he is not getting anything. Where that letter came from I do not know and I did not see it, but it was a rather bona fide source. Where there is a little smoke, there is bound to be some fire. I do not know how those letters came out, but some did. I do not want to get caught in that bind, but I give the minister notice that I am sending him a letter. If it did not go out today, it will certainly go out first thing in the morning. It pertains to five applications for Young Canada Works projects which would have very long-term and lasting social effects for the benefit of young people, all of which were declined in spite of the strongest recommendations I could make.

What I would like to know is whether there is any possibility that the minister will add to the regulatory structure of the make-work project that very pertinent and badly needed regulation, that one of the things which must be considered in the awarding of funds to make work projects is whether they will be of long-term beneficial use to the communities or groups served by the expenditure of public funds for, let us say, the improvement of a playground on the ongoing operation of a young people's camp whether sponsored by a church, a Kinsmen Club or whatever. I am referring to very long-term benefits. Would the minister give that serious consideration? At the moment it can be precluded by existing regulations, and is being precluded in my constituency.

Mr. Axworthy: Mr. Chairman, I am pleased to tell the hon. member that that is exactly what the intention of our government is under the new Canada Development Program I announced on Monday. We felt that not only should we be creating employment but also that that employment should be attached to some very important and significant priorities and objectives such as restoration of communities, conservation and what-not.

Furthermore, what we have established is a system whereby each of the regions will be able to have a high degree of choice and selection of what those priorities are. They will not be made on a national basis, but we have given clear instructions to our regional officers that they should consult with local, provincial and community organizations and authorities and private employers to blueprint a work program or training program which is particularly applicable to their own regions, and that they will have the opportunity to design that program within those kinds of criteria.

I also tell the hon. member that there is a further safeguard to that. I announced that we would re-introduce the ministerial advisory group per constituency. I too regret that they were cancelled by the previous government. I think it was a mistake. I think many hon. members opposite also know it was a mistake to do that because members of Parliament and the advisory groups played a very important role. I apologize to the hon. member.

When I took over this ministry in early March, the summer youth program was already well advanced. All we could do under that circumstance was simply offer the opportunity to individual members of Parliament to advise or recommend on those applications. We did not have enough time to re-establish the advisory groups. The time was just too short, so we simply had to rely upon those recommendations.

With respect to the particular projects the hon. member is talking about, if the hon. member felt that they were overlooked, I would be glad to review them. I cannot promise that they will be funded, but there is a circumstance whereby in some cases we have awarded grants to projects and, for one reason or another, they may not be able to carry the projects forward, and the money comes back. If there is a second circulation of that money, we then may be in a position to review those particular applications. I will welcome the hon. member's letter, but my parliamentary secretary, who was very much responsible for looking after that part of the operations, says the kind of letter he refers to would not have gone out because he remembers the application and can say that the hon. member recommended most of the projects.

The reason some were not selected was simply that there was not enough money to go around. We had to allocate according to the resources we had. As the hon. member knows, there was about $110 million in the summer youth program, and when you divide that evenly across the country, you cannot satisfy all the demands. That would be one reason. I am certainly prepared to review it, but I can assure the hon. member that the projects which will be selected will be according to local priorities. Second, there will be an advisory group in place with a constituency allocation in every constituency to ensure that the member of Parliament and that selection group can reflect those local concerns.

Mr. McCain: Mr. Chairman, the minister has not sat very long beside the Minister of Agriculture but he certainly has brought with him the deft ability to avoid absolutely answering questions which are asked. I am going to ask my question very directly. Will the minister inject into the regulatory structure under which the decision-making process is governed that the value to the community or the service rendered by the applicant must be appraised as part of the decision-making process in the awarding of the money? That is not necessarily the guideline. Other regulations such as the benefit to the employed student may be prior to the benefit to the community for which he would be employed under the project. Do I make my point clear?

Mr. Axworthy: Yes.

Mr. McCain: If that regulation were injected into the structure, or even if a ministerial letter were to go out for the guidance of the selecting procedures and particularly for the

civil servant structure of it, stating that the benefit to the community must have high priority as part of the selection process, the ones which I find now denied all would have been approved. However, by virtue of other regulations they were cast out of hand without consideration of this value. Will the minister take that into serious consideration and issue such a letter, or have a change in the regulation?

Mr. Axworthy: Mr. Chairman, I do not think there is any disagreement between the hon. member and I. I hate to read from my own words of wisdom, but just to assure the hon. member, I made the following statement on Monday. I announced three principles upon which the job-creation program would be based, and I quote:

> The second principle upon which today's measures are based is the recognition that employment must have continuing and genuine value.

I went on to announce that that value will be set according to very specific priorities and that those priorities will be judged based on the worth of the project to the community. To check to make sure that happens and that it is not just a regulatory instruction but in fact will be implemented, we will have the advisory group, which is the best way of ensuring that an assessment of what is really of great concern and of great value to a community can be introduced into the evaluation. So we have built in a number of safeguards to ensure exactly what the hon. member is asking, and I think he will find, as much as an imperfect world allows the system to work, that it will work according to those criteria.

The Chairman: The hon. member's time has almost expired.

Mr. McCain: Mr. Chairman, I just want to give one example. The Woodstock branch of the Canadian Association for the Mentally Retarded applied for assistance to build a workshop. The only reason I can determine that that application was rejected was that menial work was involved and that they would only be painting and driving nails. That is the type of regulatory structure I want to get out of. I think the minister does too. I cannot think of a better group than that group in Woodstock New Brunswick, which is working so hard for the Canadian Association for the Mentally Retarded. That application will be included in the letter which I am sending.

My time is up, but I plead with the minister that if there are additional moneys which are not spent, or if there is anything the minister can allocate to these from any other source, I think these are special cases. I think the regulatory structure should not force them through the griddle of selective exercises long before it gets to the minister's desk. I think the minister would have approved all five of them had he been making the decision, and I say that sincerely.

Mr. Orlikow: Mr. Chairman, I could not begin to make a few comments without making some reference to that somewhat snide remark by the hon. member for Bow River when he suggested that the reason there is such low unemployment in Saskatchewan is that people from Saskatchewan are leaving to go to Alberta. The hon. member surely knows that that is not true. If he can read, and if he looks at the reports which are made by Statistics Canada, the hon. member will know that the only province in this country which has lost population or which has had a net decrease in population in the last two years is the province of Manitoba, which, unfortunately, has had a Conservative government since 1977. Last year, the last year for which we have figures, according to Statistics Canada the province of Manitoba lost 20,000 people.

• (2130)

I hope the hon. member for Bow River is not attributing the prosperity which his province enjoys purely to the present Conservative government or to the former Social Credit government, about which he knows a great deal more than I do, because surely the hon. member knows that provinces such as Alberta and Saskatchewan, which has an NDP government, are doing extremely well, not because of the kind of government they have—although, of course, government actions can help or hinder prosperity—but mainly because they have tremendous resources which are now needed to a great extent in all parts of the world.

Manitoba, at the moment, is a have-not province, and I would not suggest, for a moment, that an NDP government or a Liberal government could make Manitoba as prosperous as Saskatchewan or Alberta. But what we have seen in Manitoba, with a Conservative government, is a very sharp slowdown in the economy, and more unemployment than Manitoba has had since before World War II.

We have seen a Conservative government which was elected largely by convincing the people of Manitoba that they had done too much, and that a Conservative government would get the economy moving in Manitoba by leaving it to the private sector, not having government interference.

We have seen them, in the last three months, suddenly have a conversion. Suddenly they are prepared to spend money. Suddenly they are prepared to invest with private industry and in the development of mines.

I would suggest to the hon. member for Bow River that he look at what is happening in Manitoba, that he look at a daily newspaper like the Winnipeg *Tribune*—which is not, by any stretch of the imagination, in support of the NDP; indeed, in all my years, it has been in support of the Conservative party—and see the kinds of reports that they have been publishing lately about what has happened to Manitoba universities, and about what has happened to Manitoba hospitals under a Conservative government.

I want to say to the minister that I wish he would not be so partisan, I wish he would not be so enthusiastic about the Liberal party that he could forget all the things that he saw before he came here. I am not going to suggest, for a moment, that the NDP government of Manitoba solved all the problems of the inner city, or anything else, but the minister cannot help but know, because he is not blind, that there are few, if any, cities in Canada in which he will see as many senior citizens housing, retired people, living usually with only their pension, living in comfort, in up-to-date apartments, and paying a very small rent.

The minister will say, I am sure, that the bulk of the money came from the federal government. Of course it did, as it does for all housing.

Some hon. Members: Hear, hear!

Mr. Orlikow: But until the NDP government came to power—and the minister knows this—there was no public housing, no senior citizens housing built at all.

Mr. Epp: Not true. There was senior citizens housing.

Mr. Orlikow: Mr. Chairman, the member says it is not true. On another occasion I will bring the exact figures here. I am speaking from memory, but I am 95 per cent certain—

Mr. Epp: I do not really want to get into a debate, but I think it has to be made clear that if the hon. member wants to make a statement that there was no senior citizens housing prior to the election of the NDP government in 1973, the facts simply do not bear that out.

Mr. Orlikow: In fact I am speaking from memory, but on another occasion I will bring the actual figures. There were less than 1,000 units of public housing, or senior citizens housing before 1969, when the NDP formed the government. In the period from 1969 on, there were more than 10,000 units. I, for one, never thought it, did not think then and do not think now, that my own government did as much as it could have. But they did make substantial improvements in the inner core of the city. The minister knows that the NDP government began projects like the Winnipeg Centre project which is, at the present time, training 50 people in the inner core of the city, most of whom are natives, to be teachers, something we never saw in Manitoba, or probably in any of the other provinces, until the last two years.

Mr. Chairman, what bothers me about this bill, and what bothered me about the minister's statement on Monday, is, not that they are necessarily bad in themselves, but in his enthusiasm it seems to me that the minister creates an impression among people—if they take him seriously—that these kinds of projects—and the minister says, and he is right, that we should not expect there to be a single simple solution to the problem of unemployment that is correct, but we have a right, and the people of Canada have a right, to know what the government's over-all objectives are, the government's over-all assessment of the problems we are going to face, and how the government expects to deal with those problems.

When one looks at the actual scope of the problem, one can only be struck by the smallness of the government, the meanness and the niggardliness of the government's response to what is the most serious problem of unemployment that this country has faced since before World War II.

The latest figure we have for unemployment is that 7.5 per cent of the labour force is unemployed. Around 900,000 are unemployed. Economic research organizations, such as the C. D. Howe Institute and the Conference Board, estimated that the present rate of unemployment, the present rate of 7.5 per cent, would rise this year to 8.3 per cent, because they could see several months ago that the United States was facing a recession. What we saw in the last month or so is that the recession in the United States and in Canada is going to be much more serious than most people expected.

The minister surely knows that in the United States there are some 250,000 unemployed auto workers. The minister surely knows that in Canada there are 30,000 auto workers unemployed. The minister surely knows that sales of north American cars this last month were down by something over 20 per cent in both Canada and the United States.

Mr. Epp: Thirty-one per cent.

Mr. Orlikow: That has a ripple effect. Because automobiles are not being sold, and therefore, not being produced, the rubber industry will slow down, the glass industry will slow down, the plastics industry will slow down, the iron and steel industries will slow down, and this is the reality.

Today in the Toronto *Globe and Mail* the business columnist quotes Wood Gundy, certainly not an NDP organization—

An hon. Member: A friend of the NDP.

Mr. Orlikow: Not an NDP-sided organization, a very respected financial institution. It predicted that unemployment this year in Canada will reach 9 per cent.

So I say, Mr. Chairman, we have a right, the people of Canada have a right to know what is this government, which was elected largely because it told the people of Canada that the go-slow policies of the Conservative government, which was in power for such a few months, were the wrong policies, and that they would get this country moving, planning to do.

We see in this bill which we are discussing today this employment tax credit act, I suppose $100 million. We see the announcement the minister made on Monday.

An hon. Member: Friday.

Mr. Orlikow: Whatever it was, $160 million, whatever it was. Let us take the minister at his word. We have the right to ask the minister a question. This is not the only thing which the government is doing, that is, the employment tax credit bill, and the statement he made on Monday about programs to provide job opportunities is part of it. What are the other parts? When the year 1980 comes to an end and the government has had an opportunity to put into effect all the programs which it has either announced or is now planning, what will we see? What will the unemployment rate be?

• (2140)

Mr. Hawkes: Why ask him?

Mr. Orlikow: I would like to know what the minister has to say about this. The minister ought to ignore the implied suggestions of some Conservative members of Parliament that unemployment is not very serious, that there are jobs out

there, and all the rest of the arguments we hear so frequently from backbenchers in that party. Unemployment is a very serious problem. It is a serious problem for people who have been employed for ten or more years in the automobile or forest industry. It is a serious problem for the thousands of young people who are finishing schools or universities and cannot find jobs. I and the people of Canada would like to know what is the total package. What are the plans of the government? What do they think will happen as a result of their plans? How many unemployed will there be by the end of this year?

Mr. Axworthy: Mr. Chairman, many of the questions of the hon. member for Winnipeg North were presented earlier on in the discussions. I will briefly summarize the answers I made at that time. To begin with, as I said, we are presently engaged in a major review of the employment requirements in Canada in the next decade and how we can best answer them. We have established a parliamentary committee to look at that. It will be composed of members from all sides of the House. We have established a major task force in our department.

As I indicated in my statement, I hope to have a paper available which can be presented and tabled in Parliament by the end of this year, and then we could have a major discussion about the employment strategies which should be followed. Very many changes are taking place. In the last ten years we have been relying upon ideas about job creation at which I want to have a new look. I intend to have a new look at them. We will welcome the participation of the hon. member in that parliamentary committee, so that we can come to grips with many of the new changes which are taking place.

He mentioned the problem of industrial dislocation which is taking place in the automobile industry. I assure the hon. member that we are presently meeting with the UAW—and have over the past several weeks—to work out programs to develop income support and assistance. We have had very cordial relationships with UAW in working out those common problems. But this is a new problem which has never been experienced in the industrial heartland before. We are aware of it, and we want to provide a solution which has been worked out with the unions and employers involved. That is what we are engaging in right now.

I can assure the hon. member that we are looking at a new strategy. We will be consulting with a wide variety of organizations. If he is the member from his caucus who sits on this parliamentary committee, then he will have a full opportunity to travel across Canada and hear the briefs and representations from various organizations. He can apply his own wisdom and experience to the problem. This is something we intend to do. In the meantime, as I have said, we are faced with a very major problem of creating work in the short-term, so that we have something available for Canadians while this review is taking place. That is why we announced the programs on Monday.

They are not necessarily the total strategy, but they are indicators of the kind of direction in which we would like to go, the kind of incentives we are offering employers to provide work for women in non-traditional work. There is increasing emphasis upon training programs, particularly the additional $10 million which is a 50 per cent increase in that program for native people to begin working on native projects. Those are the kinds of areas we want to go into.

We are establishing an experimental program of local economic development. It will have 15 to 18 to 20 pilot projects across Canada. They will provide long-term jobs and economic development across Canada. We could not get into a massive program of that kind until we saw how it actually worked. But we put enough money into our spending to provide a wide variety of long-term community economic development programs in communities across the country. As we evaluate them as part of our over-all review, and if they seem to have real promise, then we will incorporate them in a much larger way.

We are using our job-creation programs that we announced on Monday to provide us with an indicator of where we might go to deal with contemporary and future problems in the employment field. It is all designed to come up with an answer which I hope will provide us with good strategies that will be useful for the next eight to ten years.

Mr. Hawkes: On a point of order, Mr. Chairman, perhaps the minister made a mistake. I think he said that he had increased the funds to Indians for their economic development by 50 per cent. Did I hear correctly? If that is what he said, he might wish to change it. Also, before we move on, I wonder if the minister would care to clarify why the things he just finished saying were not in his statement on Monday?

The Chairman: The hon. member for Winnipeg North has the floor. The minister will have an opportunity to make comments. It seems to me that it is a comment rather than a point of order.

Mr. Hawkes: I thought the minister might want to correct the statement about Indians in particular.

Mr. Orlikow: It has been said that the road to hell is paved with good intentions. After listening to the minister, I would suggest the road to hell also is paved with past studies. This country has been buried in studies done at the federal, provincial, and municipal levels. While I will be happy to act on that new parliamentary committee, task force, or whatever its title will be, I do not believe that there are any new ideas. I agree with the minister that very few people predicted in advance the intensity of the recession we are in now. But we have known for a number of years some of the fundamental problems we have in the country. These are problems which developed not while the minister was in office but while his party and his colleagues were in office.

Let me list some of those problems very quickly. I know we will have lots of time to discuss them on other occasions. It is now obvious, as many people have been pointing out for years, that our whole industrial strategy, or lack of strategy, has meant that our major manufacturing organizations, which are Canadian subsidiaries of multinational corporations, have been geared not to be so efficient that they are able to compete for

their share of the market not just in Canada but on the international level. The result is that they are now being battered and destroyed, not only for international markets but right here in Canada. The Liberal government of the past has done nothing for that.

Despite the fact we are spending, as the minister said, over $800 million a year on manpower training, we see a very strange and sad situation on one end. I look at what is needed in the way of skilled workers, and I refer the minister to a study which was done by machinery manufacturers in Ontario. I know the minister must have seen the study which shows that the bulk of skilled tradesmen, machinists, tool and die makers, and electricians are now well over 40 years of age. We have recruited most of these skilled people in the past from other countries, despite the billions of dollars we spend on manpower training. They are not coming to this country now, and I say to the minister that the training programs he announced will only train several hundred people, when in fact we need thousands, or several tens of thousands of people.

● (2150)

We are not even beginning to do the job. There is nowhere we can see that more vividly than in the minister's and my city of Winnipeg. It has been estimated by educators in Canada that three million people, speaking from memory, but I think, if anything, I am underestimating, in this country are functionally illiterate.

We have noted in the city of Winnipeg the movement of native people from their reserves to the city, as well as to the city of Regina and others. They feel they will be better living in the cities than on the reserves where they were born. Their educational level is so bad they do not fit into the program being offered at the present time by our community colleges and manpower training schools.

What has been the response of the minister's department in recent years? Has it been increasing the money so that those people who are functionally illiterate can take courses? The answer is no; in fact it has been doing exactly the opposite. I wish the minister would scale down the kinds of speeches he makes and give us some solid facts.

The Chairman: I regret to interrupt the hon. member but his time has expired.

Mr. Foster: Mr. Chairman, I want to say how important this employment tax credit bill is, though it has its limitations in the rural and remote areas of our country. I was pleased when the minister announced his employment strategy last Monday that he included a number of programs such as the Youth Employment Program and the Canada Community Development Program, with an indication that there would be some $120 million for funding.

There are a couple of things I would like to know about this Community Development Program. First, will the assistance be given in terms of money for materials for the construction of projects? As most hon. members know, a number of these programs like Canada Works and the Local Initiatives Program have been going on for the past several years in many communities, especially rural and native, where many of the projects have involved no capital investment and have been completed. These communities are now moving on to more sophisticated things like the construction of buildings, wharves, parks and so on. These require some capital investment.

Following along with what I think the minister has in mind, that the projects have a long-term development advantage, I am interested in knowing whether there will be funds provided over and above those provided under the Canada Works Program, I believe something like $30 per man-week, for materials and overhead costs. Will additional funds be provided for native groups and other small rural communities which do not have the financial wherewithal to provide materials for long-term facilities?

In this regard there has been an excellent working relationship with the Small Craft Harbours Branch of the Department of Fisheries and Oceans, at least in the Great Lakes region and in central Canada, where that branch of that department of government has provided material costs for repairing wharves, the development of marinas and so on. Has the minister made any arrangement for that kind of funding to be provided through that department, or is there a mutual agreement in this regard? If that is not the case I hope the minister will make representations to that department to obtain those funds. It is fine to have funds for labour under a community development project, but if there are no materials at the local level then these projects simply cannot go forward. I should like to know whether that arrangement has been made, or if in fact his department is providing additional funding.

I was very pleased to note in the minister's statement on Monday that he will be establishing a local economic development assistance program, LEDA. When this program was cancelled last summer by the former government we in fact had two local economic development groups in the Algoma constituency, one on Manitoulin Island and one on the North Shore, traditionally two of the highest unemployment areas, that were considering the establishment of local economic development corporations.

How soon will the minister establish these 15 or 18 pilot projects, and will the concept be the same as that proposed by the department a little over a year ago when it suggested that there be a fund of up to $250,000 per year provided to the LEDA corporations, part of which could be used for administration, perhaps $100,000, with $150,000 for equity investment, loans, advances and so on in order to establish these local economic development corporations?

It seems to me this would really provide a tremendous stimulus of opportunity for the local communities to band together to achieve something. In my constituency they have already established this kind of association of municipalities, but they do not have the funds to seek out prospective industries or develop indigenous industry in the area.

I hope this program will go forward and will not get bogged down in a lot of red tape as happened a year ago when there was an effort to make it completely acceptable to the prov-

inces. Sometimes you have to move ahead and try the project rather than sit and wait until every "t" is crossed and every "i" dotted by provincial governments, because their objectives in creating employment are not always identical to those of the federal Department of Employment and Immigration.

I hope the minister will be able to give us some indication of how soon and what form these LEDA corporations will take, because I know they are eagerly sought after by groups like the Manitoulin Economic Development Association and the North Shore Economic Development Association, both of which have already been established but do not have the kind of funding this concept would provide.

Mr. Axworthy: Mr. Chairman, in answer to the hon. member for Algoma I would like to indicate that the amount of capital that will be available to each project will be quite a limited amount. We would like to use the greatest proportion of the money for employment, the actual labour aspect of the project itself.

What I can indicate to him is that we have had discussions with a number of federal departments—the hon. member referred to Fisheries and Oceans—and we will work out combinations. If federal departments want to undertake some capital works projects, the individual department will put up the capital and we will put up the employment money. This is why we are trying to decentralize it in each region so if there is a wharf project, or a special capital works project that Fisheries and Oceans or Public Works might wish to carry out, we will be able to combine our efforts and give it priority.

I think it is incumbent upon members of Parliament, who see the kinds of priorities in their areas, to develop that kind of a project and approach the minister who has the capital side of it, and we will then supply the labour side. I think that is the way we will work those projects.

I should also indicate to the hon. member that, contrary to the last phase of Canada Works, we will be applying development money in each constituency. There will be a base allocation and we will then add to that, based upon unemployment figures, an additional amount; the higher the unemployment figures and the labour surplus the more money will be put into the constituency. In addition, we will put special criteria in for native unemployment. As a result, in an area like the hon. member's there will be a special allocation based upon native unemployment.

As for the LEDA program, I should say it is a program about which I am personally excited. I think it may provide one of the answers to long-term unemployment problems in Canada, helping small communities and others to develop an economic base of growth.

I see that you are going to call it ten o'clock, Mr. Chairman. We will continue this dialogue another day.

The Chairman: It being ten o'clock, it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

Progress reported.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY CONSERVATION—INQUIRY WHETHER LEGISLATIVE ACTION PROPOSED

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, on May 26 and May 27 I asked some questions of the Minister of Energy, Mines and Resources (Mr. Lalonde) and the President of the Privy Council (Mr. Pinard) regarding certain documents which I had in my possession, one a confidential document from the Department of Energy, Mines and Resources policy and analysis sector, and the other a transcript of an interview with the assistant deputy minister of energy, Mr. Clark. These statements were of concern to me because of the obvious problems which were noted in those documents with regard to the department wanting to get the nation off oil and on to other non-renewable energy sources.

At the same time they were considering that policy they were saying that they could not have two policies, one dealing with getting the nation off oil and one dealing with conservation of energy. The minister said that he was not aware of those statements within his department, and that is why I wanted to carry this debate on more fully this evening. I want to quote some of the statements which were made within these documents. One is from a source within the Department of Energy, Mines and Resources which states that:

—policy rationale within EMR is getting narrower and narrower. The decision-making balance is off keel. Though conservation will still make advances, the heavy emphasis on off-oil has gone beyond what reasonable economic analysis would allow.

Mr. Clark, the assistant deputy minister, stated in response to that:

—you don't want to give the public too many confusing signals so you really have to decide whether you are telling them to get off oil or are you telling them to conserve energy.

That does not show much faith in the intelligence of the Canadian people. He goes on to say:

Since in the short run what we really want them to do is to get off oil, we ought to concentrate our communications efforts on getting them off oil rather than conserving energy.

This is of deep concern to me because there is such a quick and cheap supply of energy available to Canada through the conservation policy. When the assistant deputy minister makes statements like this, it makes me wonder about the policies of the department.

Mr. Clark goes on to say:

—it would be nice to conserve all sorts of energy but it does seem to me—at least my advertising people tell me—

Is the department now considering its policy through its advertising department? Mr. Clark goes on:

—that it is difficult if the public gets different messages. So our conservation campaign concentrates on saying let's conserve oil. First get off oil. Then start to conserve—

Those statements are astonishing. One of the bureaucrats in the department said in response:

The feds have very little money yet they are going to spend it on substituting to another non-renewable fuel.

This document states that the off-oil policy is to get people off oil and onto natural gas, which is fine if we are prepared for that kind of program. The bureaucrat went on to say:

This will not result in much public confidence. But Clark doesn't know how to grapple with substitution to conservation and renewables.

The minister must get a hold on his department. If these kinds of statements are coming from the assistant deputy minister and are being contradicted by other officials in other sectors of the department, then how will this minister receive the proper advice which he needs from his department from time to time? I think he must get control of that department and tell them, as he told me in this House, that his policy is contrary to that and that he is concerned about conservation.

● (2205)

This government does not have a very good record in that area, Mr. Speaker. The report of the International Energy Agency of 1976 concluded that Canada's conservation record, over all, was one of the worst in the world. Our consumption of oil and natural gas per capita is the highest in the world. This waste of energy is costing us billions of dollars per year. If we could just get ourselves into a conservation frame of mind we could save hundreds of thousands of barrels of oil per day.

The Conservative party policy was to reduce consumption of oil and gas, or energy generally, by a 2 per cent factor per year but it seems as if the factor for this government as expressed in their document "Energy Conservation in Canada" is a 3.5 per cent increase per year. Between 1975 and 1990 the difference between the 2 per cent and 3.5 per cent factors would be from 482,000 to 600,000 barrels of oil per day. We just cannot overlook that, Mr. Speaker, and we must get serious about our conservation policy.

Through CHIP and by insulating the 70 per cent to 90 per cent of homes that are insulatable, by 1990 we could save another 104,000 barrels per day. There are many other ways that we could save on the energy that is necessary to meet our demands, through conservation programs in the coming years. I think the minister should answer my questions and tell us how serious he is about conservation.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I welcome the hon. member's support for the conservation efforts being made or planned by Canadians, including the federal government. There can be no question of the commitment of Canadians to conserving energy. The challenge is to find how all Canadians can be assisted in realizing that commitment.

A variety of steps are being taken to help Canadians achieve our conservation goals. The few minutes available to me this evening are obviously insufficient to do anything more than note a few of these, but if the hon. member would like more details I shall be pleased to provide them to him.

The hon. member has inquired about legislation to promote conservation. As was set out in the Speech from the Throne, legislation will be brought forward soon to set mandatory efficiency fuel standards for automobiles, and our highly successful Canadian Home Insulation Program, CHIP, will be further improved.

With regard to co-operation with the provinces in conservation measures, in recent weeks the Minister of Energy, Mines and Resources (Mr. Lalonde) signed two federal-provincial agreements on energy conservation with the province of Manitoba. Existing agreements with Prince Edward Island and Nova Scotia have been extended until details are worked out of new agreements which meet the specific needs of those provinces. We have federal-provincial conservation and renewable agreements with all other provinces and territories, and expect that the total expenditure on them will reach well over $200 million in the next four years, of which $114 million will be from the federal treasury.

Co-operation in the private sector has been equally encouraging. Members may be aware that voluntary task forces of business, working with the government, have already made major progress and show every promise of achieving even greater energy savings in the months and years ahead.

Finally, Mr. Speaker, I should perhaps add that the government itself has a vigorous energy conservation program which has achieved accumulated savings in the past four years of more than $100 million. This is a remarkable achievement, helping to indicate to all Canadians what can be done in this vital area of energy conservation.

EMPLOYMENT—TRAINING PROGRAMS FOR WOMEN

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise in this adjournment debate tonight because of increasing dissatisfaction with answers we tend to get from the Minister of Employment and Immigration (Mr. Axworthy). I hope his parliamentary secretary will be more forthcoming. We had an example of what I mean about eight o'clock this evening which showed the difficulty of getting the minister to respond to questions.

My initial question, and the source of much concern to me tonight, was asked in this House some two weeks ago. At that time I brought to the attention of the minister the fact that there is a morale problem in his department in western Canada. The minister has over 5,000 employees in the four western provinces.

● (2210)

I was informed about mid-April for the first time, and on subsequent occasions by two or three of the minister's officials in his department, that there was a morale problem that was, in part, a consequence of what was reported to be the minister's decision to hire a defeated Liberal candidate from the

riding of Calgary West to be a special adviser in the minister's office. Part of the discontent with that decision, which perhaps is not normal that civil servants should be so affected by such an appointment, was caused by the special adviser himself who, on April 7 in an interview conducted by a representative of the *Calgary Herald,* indicated that he was going to work in the minister's office in Winnipeg effective May 1 at a salary which was "the same as the salary he was receiving in his previous job". In that previous job this special adviser was the president of a small junior college in Calgary. The salary that was paid to him in that position was $50,000 a year.

I rose in the House to point out to the minister that there were morale problems in his department because the top civil servant in each of the four western provinces, Manitoba, Saskatchewan, Alberta and British Columbia, is classified as an SX-2. The salary range for these experienced people with heavy responsibilities for budget and other staff, begins just a little over $38,000. In this case the minister had appointed somebody without that background, without that experience and without those kinds of responsibilities to provide advice at a salary of some $50,000.

That situation is causing serious morale problems in the west. Those morale problems show themselves at the riding level in decreased service to people. If people do not work for an organization or for a minister in whom they can believe, or who treats his whole department fairly, then their morale goes down and their willingness to serve the Canadian public is adversely affected.

I think it might be in the minister's best interests, or the parliamentary secretary's best interests this evening, that if the minister was correct when he said in the House the other day that the $50,000 salary was not correct, it would be useful to morale in western Canada, if the parliamentary secretary could tell us exactly what that salary is.

All that the minister told us was that the salary was not $50,000. It could be $50,000 and one cent. It could be more than $50,000, it could be less. But I think it would be in the interests of this nation and a service to the people in western Canada if the minister or the parliamentary secretary could be forthcoming and tell us.

A little more than a week later I rose in this House as a consequence of the minister's statement to this House on Monday, and as a consequence of the press reports which followed. We heard a great deal of impressive rhetoric about the minister's concern for jobs for women. In news reports on Tuesday, the day after the minister's announcement, the minister was quoted in the press as saying that the program he announced in this House on Monday would create 81,000 jobs total. In that same press report his officials are reported as saying that the announcements made in the House on the same afternoon would create 31,000 jobs total.

The minister handed us background papers on that same day. If one was to total up all the subparts, they indicate that 192,000 jobs were created. I would hope that the parliamentary secretary could take this occasion this evening to tell us whether there were 31,000 jobs created, 81,000 jobs created, or 192,000 jobs created. However, the really important part of that question is the fact that in the minister's background paper he estimates that of the jobs created, and it does not matter whether we are talking about the 31,000, 81,000 or 192,000, 12,200 of those will be filled by women. That is a number that almost boggles my mind, if I may use that expression. Whether it is 31,000, 81,000 or 192,000, 12,200 jobs is considerably less than half.

• (2215)

The minister has repeatedly stated that he cares about women and the employment opportunities available to them. Possibly the parliamentary secretary can tell us whether the minister will consider that whole job-creation package with a view to putting in some rules, regulations and procedures that will guarantee that at least half of the created jobs go to women. I wonder if the parliamentary secretary can give us an answer to that.

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I will gladly give an answer to the second part of the question, but I remind the hon. member of the motion before us. Your Honour read it at five o'clock:

> It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows:—
>
> Employment—Training Programs for Women.

I do not know about the morale of employees in western Canada. I do not know about the problem the hon. member raised concerning the salary of the personnel concerned. What I had was a question concerned the training of women. That I will deal with.

I have to tell the hon. member that if he wants us to co-operate with him as far as Standing Order 40 is concerned, he will have to co-operate with us. He wants us to carry out research in order to answer his questions. He knows that we only have three minutes in which to give an answer.

The hon. member talked about questions raised in three different question periods. They had nothing to do with the Standing Order 40 debate this evening. If the hon. member wants us to co-operate, we will be glad to do that. As I said, we have three minutes to answer. Therefore, we will need to have the same co-operation from him.

[*Translation*]

Mr. Speaker, if we add to the existing employment and training programs those announced on June 2, we note that more than 183,000 women will receive training or find employment this year.

However, more than figures are involved, interesting though they might be. The announcement of June 2 emphasized the proposed reorientation of the program, which will not only provide opportunities for women, but will also offer them other benefits.

For the first time in their history, Canadian women will be offered assistance in the form of on-the-job training in types of

work traditionally reserved for men, where salaries are generally higher. Employers will receive a training grant of about 25 per cent more to train a woman for a non-traditional job rather than for a traditional job. Post-secondary graduates will be encouraged to use their skills in stimulating professions in research and development and in applying technological innovations in areas such as energy conservation and the development of manufacturing processes.

These programs, and especially the community services projects element, will be a useful tool for those who have difficulty in finding employment or rejoining the labour market. As everyone knows, these people are mostly women.

In other words, Mr. Speaker, the programs announced on June 2 are truly innovative both in their orientation and in their approach and will offer immediately to women an income and opportunities through training and job creation. These programs are an essential step toward the development of a framework which will enable more women to be active on the labour market, and this in a greater variety of jobs and a more meaningful manner. These programs reflect a new orientation and a new initiative. With the co-operation of the private sector and non-profit organizations, they represent one more tool to help women reach their potential on the labour market, and if what we hope comes true, there is every reason to believe that they will be substantially extended in the years to come.

● (2220)

[*English*]

HEALTH AND WELFARE—MEDICARE PROGRAM—ANNOUNCED INCREASES IN PREMIUMS BY BRITISH COLUMBIA

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I would like to thank the minister for taking the trouble tonight to show up personally to answer the question I raised the other day about medicare in British Columbia.

Some say that most modern medical practices are some combination of band-aiding and pill-pushing, and criticize them on the ground that we tend to treat symptoms rather than causes. That may be true, that may be our emphasis, but that is not really the point. The point is that we are constantly hearing people complain about the soaring costs of health care. They seldom consider, though, the cost of being sick, and fail to recognize that a healthy society is money saved. I do not think the minister falls into that category, but there was a long and bitter fight to establish medicare in this country, and when we see evidence that it is being eroded, some of us are extremely alarmed. I know this feeling is shared by the minister.

I raise this matter because the spiralling health costs of the last few years have prompted certain provinces, which now have the right through certain legislation which was brought about in 1977, to deflect money normally going to medicare to other provincial priorities. Consequently, more and more of the costs of medical care and health care generally are being loaded upon the consumer of health care, often the old and the sick, and they are often one and the same. As a matter of fact the troika of being old, sick, and poor is not at all uncommon in this country. Sure, there should be more money going into preventive medicine, into more training in terms of improved lifestyles and into advice about fitness and all the rest of it. Nevertheless, whatever the failings of medicare may be in this country, most of us are extremely grateful that we have it, and we are extremely concerned if there are indications that we might lose it.

Some people say medicare costs too much. The most recent figures I have indicate that it costs about 7 per cent of our gross national product. That is a pretty fair chunk of money in this country, but in the United States there is only private medical care, and it is a tragedy to be sick in the United States. A lifetime of savings go down the drain if you are sick in the United States. The cost of medical care there is 9 per cent of the U.S. gross national product, so ours is better, cheaper, and the envy of North America.

In my question the other day I asked if the minister would get in touch with the government of British Columbia and tell that government that its regressive, reactionary increases announced recently by the British Columbia minister of health are unacceptable to the minister because they offend the guidelines of accessibility and comprehensiveness outlined in the principles of national health care.

I would like to quote some of the figures which I read and which are associated with the costs announced. According to the Vancouver *Sun* of May 30, "Monthly medical premiums will be increased approximately 15 per cent". That does not perhaps seem alarming, except when you recall that it is 15 per cent on top of an already large increase. From 1974 to 1978 British Columbia premiums went up 50 per cent per family of four. British Columbia is not alone. In Ontario between 1974 and 1978 premiums went up 80 per cent. In Quebec they went up 88 per cent. In Alberta they went up 33 per cent.

As my party predicted during the debate on the established programs financing bill, money would be diverted, but we thought it would be the poorer provinces which would do the diverting. However, it has not been that way at all. It has been the more affluent provinces. So, naturally, we are alarmed.

To get back to the increases contemplated:

—$8.50 from $7.50 for a single person, to $17.50 from $15 for a couple and to $21.25 from $18.75 for a family.

Then there are increases for ambulances and daily charges for daily visits as well.

● (2225)

What I attempted to do in my question was to provide the minister with some impetus, some encouragement to let the province of British Columbia know how the federal minister, who is responsible for three-quarters of a billion dollars in health care, more accurately $750 million or so each year, or $778.8 million which was the figure I received from the minister's own department feels about increased user charges. During the campaign, and at the medicare conference on November 5, 1979, the minister said:

I see now that two years ago when block funding for health care was instituted, the well-intentioned gamble has backfired.

At the same conference she went on to say:

Notice should be given of the commutation of block funding and the renegotiation of cost-sharing arrangements with the provinces. The federal government must re-establish control of the medicare program. That is the official policy of the Liberal Party of Canada.

She went on to say in Winnipeg, during the campaign, on January 21, 1980:

The federal government has the right to stop medicare financing if residents are not getting reasonable care when they need it.

She also said:

Opting out is a threat to universal accessibility when doctors "balance" or "extra bill" their patients.

These are all things that have come about in provinces which are putting the lid on health care. We have had all kinds of labour strife with health care workers, doctors and nurses in the richest parts of this country, and that is why I want the minister to remember it was a Liberal bill, this Established Programs Financing Act. It was designed by the Liberal government to put a cap on federal spiralling medicare costs. She should not wait for the Hall report, but let the provinces know that the way they are proceeding is completely unacceptable to the basic principles of medicare.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, it is with regret that I have noted the action of the British Columbia government in increasing user charges under its hospital insurance plan and in increasing the premiums charged for coverage under its medical care insurance plan. What is most disturbing is that such increases and charges are not in the spirit or faith of medicare, which is free, good quality services to people wherever they live in Canada, in whatever province, and regardless of their income.

At the outset let me say that while I personally dislike very much these types of charges and the increases which are to commence on July 1, 1980, and I especially dislike the premium system which unfortunately is used in British Columbia and two other provinces in Canada, because premiums represent a regressive form of taxation, I must inform hon. members that, based on the information received, there is no action that the federal government can take immediately, such as withholding payment, and I will explain why.

Withholding payments can be done. It is the only tool provided in the legislation, a tool for the control of the use of the funds, but it can only be done based on the evidence that one or more of the five conditions is violated—the five principles on which medicare is based. I suppose it is fair to say that these principles or conditions are extremely general concepts and we are now faced with the problem in many provinces, unfortunately, where actions in the last two years, often in the last year and a half—unfortunately that is the case in British Columbia right now—may be breaching this concept, but withholding payment would cause a disruption of service to the people.

The previous government did appoint Mr. Justice Hall to make an inquiry which he will be completing, with recommendations, in a few weeks' time. There will just be the problem of translation left to finalize the inquiry and the publication of the report, and then I think it will be very urgent for all of us to make a great effort to save medicare, which I am sure we will do.

[*Translation*]

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

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, June 6, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

SCIENCE AND TECHNOLOGY

REQUEST BUDGET BE TRANSFERRED TO NATIONAL RESEARCH COUNCIL OR UNIVERSITY RESEARCH—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise under the provisions of Standing Order 43. Given that the Ministry of State for Science and Technology was created nine years ago and since then, according to figures just released, the research and development performance of Canada has gone from deplorable to disastrous, notwithstanding that six different Liberal ministers have each made vigorous and, I am sure, sincere statements about their government's commitment to improving this deplorable situation, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Ministry of State for Science and Technology be disbanded and its budget turned over to the National Research Council or to university research, since this is apparently the only manner in which this ministry can tangibly increase the R and D efforts of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RESEARCH AND DEVELOPMENT

CONGRATULATIONS TO FEDERAL GOVERNMENT SCIENTISTS FOR DEVELOPING TELIDON SYSTEM—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House congratulate federal government scientists for developing and selling the Telidon system in the United States, and urge that the Government of Canada establish a Crown corporation to build and market Telidon systems for sale throughout the world, rather than selling it off to the private sector, since it was the public that assumed all the financial risk for Telidon's research and development.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

CRITICISM OF POLICY ON BRANCH LINE ABANDONMENT—MOTION UNDER S.O. 43

Hon. Don Mazankowski (Vegreville): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the stated intentions of the Minister of Transport (Mr. Pepin) to rescind orders in council 1980-83 and 1980-84 which preserve some 30 branch lines in the prairie provinces that are necessary to serve the needs of the producers and the grain elevator companies, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the Minister of Transport, the Liberal cabinet and the New Democratic Party, particularly the hon. member for Yorkton-Melville, be condemned for wanton disregard and disrespect for the producers and communities affected and, further, deplores another obvious attack upon western Canada at a time when conciliation and co-operation are so vital to preserving the fabric of this nation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Andre: The NDP said "No", Madam Speaker; they are attacking the west.

BRANCH LINE ABANDONMENT—IRREVERSIBLE DAMAGE TO WESTERN AGRICULTURE—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the stated intentions of the Minister of Transport (Mr. Pepin) to rescind orders in council PC 1980-83 and PC 1980-84, which will place ever-increasing hardships on about 7,500 prairie farmers and cause irreversible damage and disrupt the planning and marketing strategy of every grain elevator company in western Canada, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House condemns the Minister of Transport, his ineffectual assistant in the other place, the President of the Treasury Board, along with the New Democratic Party of Canada, for their deliberate disregard and lack of compassion for the people of western Canada which they purport to represent.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

MARINE TRANSPORT

REQUEST "SAMSON V" CONTINUE SERVICE ON FRASER RIVER, B.C.—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the tradition of long, useful service provided to the Fraser River by the sternwheel steamer *Samson V* which contributes to the safety of all marine traffic in the harbour of New Westminster and on the lower Fraser, and in view of the fact that 14 jobs will be lost if the *Samson V* is put out of service, this being the intention of the Department of Public Works, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House instruct the Minister of Public Works to take steps immediately to ensure that the *Samson V* continue its important work of ensuring safety on the Fraser River and, therefore, that the *Samson V* be continued in active service.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

BEST WISHES TO FIRST MINISTERS IN UPCOMING DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter which I am sure will gain the support of all members of this House.

On Monday, the Prime Minister (Mr. Trudeau) will meet with the provincial premiers to discuss matters relating to our constitution. In view of the fact that the recent referendum in Quebec resulted in a vote of confidence for renewed federalism in Canada, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That this House convey its best wishes to all the provincial premiers and the Prime Minister in the hope that, through serious consideration and compromise and in a spirit of co-operation, progress can be achieved toward a renewal of the Canadian federation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA PENSION PLAN

DELAY IN PAYING BENEFITS—CRITICISM OF COMPUTER PROGRAMMING—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I would like to propose a motion under the provisions of Standing Order 43.

Given the fact that since the Canada Pension Plan changed over to a new computer, the programming and operation of that computer system has been so badly devised that civil servants with many years experience are quitting their jobs in despair of ever getting the program back on track, and the fact that these departures are compounding an already untenable situation so that even routine applications under the Canada Pension Plan are taking upward of six months to process, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House urge the responsible minister to immediately facilitate the processing of Canada Pension Plan applications by swift and judicious means, so that widows and orphans will not suffer unnecessarily at the whims of a machine.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

REPORTED ILLEGAL SEIZURE OF M.V. "PATRICIA"—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. The Royal Canadian Mounted Police, presumably with the advice of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) or the Solicitor General (Mr. Kaplan), made a dramatic seizure of the motor vessel *Patricia* and its cargo of 22 tons of marijuana and arrested its crew off the coast of Nova Scotia.

Reports that the action may have been unlawful are supported by the return of the master to his U.S. residence without a Canadian criminal charge being laid, the transportation home of the Columbia crew at the expense of the Canadian taxpayer, and the disappearance from public view of the illicit cargo valued at $50 million. To protect the interests of the officers involved, I move, seconded by the hon. member for York North (Mr. Gamble):

That this House direct the Solicitor General or the Minister of Justice to report on all aspects of the seizure on May 31, 1980, of the MV *Patricia*, the arrest of the crew and confiscation of the illicit cargo.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

REQUEST FOR STATEMENT ON UPGRADING AND EXTENSION OF CERTAIN LINES—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity.

The urgency arises from the fact that the governments of Canada and British Columbia have agreed on a deadline of June 10 to arrive at a decision with regard to sharing the costs of certain rail extensions and upgrading of facilities in connection with the delivery to export markets of coal from northeastern British Columbia. I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

● (1115)

That the Minister of Transport avail himself on the first opportunity under the rules of the House to make a statement with respect to any federal participation toward the upgrading and extension of certain BCR rail lines, the upgrading of certain sections of the CNR and the improvement of port facilities on the west coast, all designed to meet the objections of delivering and handling coal for export from northeastern British Columbia to tidewater.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATISTICS CANADA

MODIFICATION OF LEGISLATION TO PRESERVE RIGHT TO PRIVACY—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the proposal by the President of the Treasury Board (Mr. Johnston) to sell information collected by Statistics Canada, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That the legislation forcing Canadians to provide information to Statistics Canada be modified and that the Liberal government be condemned for unilaterally proposing such an invasion of Canadian privacy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

CONDEMNATION OF SUGGESTION TO ABOLISH INDEXATION OF PERSONAL TAX

Hon. John C. Crosbie (St. John's West): Madam Speaker, in the absence of the Prime Minister and the Minister of Finance, I direct my question to the Minister of State (Finance). The Minister has stated that Canadians face a 50-50 chance of losing the indexation on their personal income tax this year. The finance critic for the NDP has said that they oppose indexing, in any event.

The tax expert, Mr. John Bossons of Toronto, has said that abolishing indexing would "hit low income people the hardest, and harder every year after the first year". He says that a one-worker family with two young children, earning a taxable income of $10,000, would have a 31.3 per cent tax increase this year, while a taxpayer with an income of $40,000 would have an increase of only 4.5 per cent.

In view of these facts, would the minister now assure the Canadian people, and particularly low-income taxpayers, that the government will not abolish or interfere in any way with the indexation of the personal income tax this year or in any year in the future?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, at this time of year there is naturally a great deal of speculation on the various measures that the Minister of Finance will take at budget time. All I can tell the hon. member is that this issue is of great concern to the Minister of Finance but he has taken no decision on the matter. As is customary, when a decision is made, the minister will certainly not announce it during question period but rather during the budget speech.

[*English*]

Mr. Crosbie: Madam Speaker, I am glad to hear that the minister is a little less positive. A few days ago he said it was a 50-50 chance and his minister has said it is a probability. Mr. Robert Brown, of Price Waterhouse, calls the suggestion "the most retrogressive step in Canada taxation in 25 years".

An hon. Member: Question.

Mr. Crosbie: Members opposite seem very anxious to have me put my question and get this over with. The Prime Minister has said that a Liberal government would make the tax system more equitable. That was a promise he made on January 12,

1980, in Toronto—that his party would make the tax system more equitable if they were returned to power.

How can the government now contemplate de-indexing personal income tax? Is this to make the tax system more equitable, as the Prime Minister promised, or is it another promise which has been cast aside by the Liberals now that they are back in power?

[*Translation*]

Mr. Bussières: Madam Speaker, I think the issue is serious enough to warrant more than impassioned rhetoric. The Minister of Finance is considering ways and means to make the system much more equitable. As I have indicated, these are just speculations, hypotheses, and the Minister of Finance will make decisions which will continue to honour the promises and commitments made by the Liberal Party of Canada and this government, and those decisions will be aimed at making the tax system much more equitable.

[*English*]

Mr. Crosbie: Madam Speaker, we had an underhanded election campaign, an underhanded budget, and now we are getting an underhanded tax increase. The Prime Minister said in Toronto on January 12, 1980, that he had five main thrusts if he were re-elected. The fifth was to protect low and middle-income Canadians "by helping first those who most need assistance". Is he going to do this by putting the blocks to the low income taxpayers so that they get an increase this year of 30 per cent in their income tax, while the higher-income taxpayer will have an increase of 4.5 per cent?

• (1120)

Is this the way the minister is studying to carry out the main thrust of the Prime Minister, or has the Prime Minister's promise been forgotten altogether by the Department of Finance?

[*Translation*]

Mr. Bussières: Madam Speaker, save for a short interruption the Liberal Party has been governing the country for several years and since our return to power we have shown not only to the hon. member but to the entire country that we are keeping the promises and commitments made by our party leader and the government will continue to honour its commitments.

[*English*]

GOVERNMENT POSITION ON INDEXATION AND TAX INCREASE

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, we can certainly see that, among other things, the truth is not highly valued in St. John's West in representing the positions of other parties.

Some hon. Members: Hear, hear!

Mr. Rae: I am sorry the Minister of Finance is not here to answer this question, but I will put it to the associate minister of finance. In all the speculation that has arisen over the past two weeks concerning the government's position on indexation and a tax increase, is it their view that there is excess demand in the economy at the present time?

Also, is it the government's view that when the economy is heading into a recession is the best time to bring in a massive tax increase which will affect all Canadians? Is that the government's new economic policy?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the member would like to obtain an answer which would conciliate inconsistent factors. First, the question refers to a recession and to pressures on demand. It is quite obvious that the recession in the United States is not felt in the same way as in Canada and that pressures on demand are stronger here, according to the indications now available to us. It also refers to tax increases in a very difficult period and the speculations which are beginning to spread on tax increases are more specifically related to another problem which is also the basic concern of the government, namely the reduction of the deficit. Those matters must not be considered singly but as a whole and we should not try to conciliate inconsistent factors but rather take the best steps in accordance with a comprehensive picture of the economy.

[*English*]

Mr. Rae: A supplementary question to the minister, Madam Speaker. It is a novel approach, that the time you start bringing in tax increases is the time the economy is heading into a tailspin. That is novel economics.

Will the minister give the House the commitment that a cost of living tax credit scheme, which will give the most benefit to Canadians who earn the least, will be provided in the budget, that there will be a budget—

Mr. Crosbie: There was one in the last budget.

Mr. Rae: —and that there will be a commitment from this government that there will be no net increase in personal taxes for those Canadians who can afford it least?

[*Translation*]

Mr. Bussières: Madam Speaker, I feel that this government's concern for the needy is evident. A few weeks ago this Parliament was called upon to approve a $35 increase to the GIS, which I feel is an indication of the government's concern for the small wage earner.

The hon. member is seeking from the Minister of Finance during oral question period a commitment with regard to budgetary legislation. This is not our custom and, as I have already indicated, the Minister of Finance will continue to protect those whom Liberals have always tried to protect, that

is the needy within our society, and he will make public his decisions during his budget speech.

* * *

● (1125)

[*English*]

ELDORADO NUCLEAR

CONSTRUCTION OF REFINERY IN BLIND RIVER—FINANCING THEREOF

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister announced last month his decision to force Eldorado Nuclear to build a refinery in Blind River. This decision was made without prior consultation with the board of directors of Eldorado, against the recommendations of the management and the directors of the company, and reversed the decision of the previous government.

Given the fact that the cost to the company of the minister's decision will be in the vicinity of $60 million, given the fact that the company is 100 per cent government owned, and that the company has been forced to borrow money on private markets to cover its capital costs, would the minister—at least in the interest of honesty—effect the transfer of moneys involved from the Consolidated Revenue Fund to Eldorado in order that the accounts of the government would reflect the true costs of this blatant Liberal patronage?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I regret to inform the hon. member that he is misinformed as usual. First, I did consult the board of directors before announcing the decision.

An hon. Member: We know what your definition is.

An hon. Member: Consult?

Mr. Lalonde: Yes, I did consult them.

An hon. Member: You told them.

Mr. Lalonde: I met with them, but the decision was a government decision. I indicated that the government made that decision on the basis of fairness and on the basis of helping a region that needed help.

Some hon. Members: Hear, hear!

Mr. Andre: Then let the blue book reflect that.

Mr. Lalonde: Second, as far as additional cost is concerned, the hon. member may speculate on increases, but I have indicated that the cost would increase by moving the refinery in northern Ontario. This was made as a definite government policy decision to the effect that we should be ready to incur additional costs and, as I said, to bring jobs to areas where in good part the raw material is found.

As far as the request for additional financing by Eldorado is concerned, that request and plan was made and was in the works before the decision to move the refinery to Port Hope was taken. It was a decision independent of the decision to open a new refinery in Blind River rather than in Port Hope. It is a totally different situation. In any event, Eldorado needed additional financing for its capital expansion. The company proposed to take that decision, and I am very glad that they have been successful in arranging the financing.

Mr. Hnatyshyn: Madam Speaker, the mere fact that Eldorado is now scurrying around trying to rationalize the unfortunate decision imposed upon them by the minister in setting up a sort of Mickey Mouse operation in Blind River, and reversing, in effect, the decision of the minister is an indication of whether or not there was adequate consultation or any consultation at all.

The minister's parliamentary secretary indicated last week that it was not the policy of this government to interfere with the affairs of Crown corporations and that they would act independently. Would the minister now stand in his place to either repudiate his parliamentary secretary and indicate that he was wrong in that assessment, or will he tell us whether or not he will allow Eldorado to make decisions in their best interests under their mandate, and not continue to interfere? Also, will he indicate that the policy is not to get involved in the management of Crown corporations under his jurisdiction?

Mr. Lalonde: Madam Speaker, I am afraid, again, that the Mickey Mouse is not in Blind River but comes from Saskatoon West.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: Watch out, Pinocchio.

Mr. Lalonde: As far as the question of the hon. member is concerned, I want to assure him—I have stated it quite clearly in this House—that the job of the minister is not to second-guess management decisions, but there are government responsibilities that have to be fulfilled.

Mr. Andre: At least blush when you say that.

Mr. Lalonde: When the government decides, for policy reasons, to vary a decision by any corporation, the government makes it publicly and takes responsibility for it. This is what we have done in the case of the refinery that is being opened in Blind River. We are very proud of that decision. We think it is the right one. I am very happy, also, to endorse the plans of the corporation to expand and modify its operations in Port Hope, which will ensure that Port Hope will have a very active operation in the next few years.

● (1130)

Mr. Hnatyshyn: Madam Speaker, I would like to direct my final supplementary to the Minister of Employment and Immi-

gration. In light of the cost—some $60 million—to the taxpayers of Canada for government patronage, which is about one-half the cost of the total program announced by the minister this week with respect to employment, has the minister discussed with his colleague, the Minister of Energy, Mines and Resources, whether this money would be better applied to employment programs for the people of this country, particularly women and native people? Is he going to allow himself and the cabinet to be pushed around by the Pinocchio of Canadian politics?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, not only have I discussed this matter with the Minister of Energy, Mines and Resources; I have also had the benefit of constant consultation with my seatmate, the Minister of State for Mines, who has assured me on many occasions that the move of Eldorado mines is one of the long-term employment developments that will assist northern Ontario, which is one of the regions needing a high degree of employment.

Furthermore, one of the conditions attached to the move was that there be a major program of employment of native people in northern Ontario. We can thank the Minister of State for Mines for that particular intervention. I think we will see very productive results in a very short period of time.

* * *

CROWN CORPORATIONS

ELDORADO NUCLEAR—COMPENSATION FROM CONSOLIDATED REVENUE FUND

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the President of the Treasury Board who has been given responsibility by the Prime Minister for devising a Crown corporations' policy for this government.

The President of the Treasury Board will know that Bill C-27 introduced by the previous government provided for corporations which had been issued directives by the federal cabinet to be able to apply for compensation from the Consolidated Revenue Fund for the cost of those directives. Will the minister indicate whether that continues to be the policy of the Government of Canada, and will Eldorado Nuclear be able to apply to the Government of Canada to receive compensation for this patronage decision that was made by the federal government?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am pleased to inform the hon. member that the whole area of Crown corporations' legislation is under review.

An hon. Member: No kidding!

Mr. Johnston: The hon. gentleman laughs. There is good reason for it to be under review, as the hon. member knows. Many suggestions and modifications have been put forward with respect to Bill C-27. I hope to bring forward a discussion paper and, hopefully, some legislation will be brought down in the relatively near future.

Mr. Beatty: Madam Speaker, my question is a very straightforward one. Will Eldorado Nuclear be able to apply to the Government of Canada for compensation as a result of this patronage directive which was issued to it by the Government of Canada? Does the government intend to incorporate in any subsequent legislation respecting Crown corporations the right of Crown corporations to apply for that sort of compensation?

Mr. Johnston: Madam Speaker, it seems that my answer was very straightforward.

Some hon. Members: Oh, oh!

Mr. Johnston: The provision to which the hon. member is referring is not in the law at the present time. Obviously, that bill and its provisions are being reconsidered. Accordingly, when the bill is brought down, whatever Crown corporations are subject to directives from the government will have the opportunity of taking advantage of whatever provisions the bill contains.

* * *

INDUSTRY

UNITED STATES REGULATIONS ON URBAN TRANSIT SYSTEMS—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. The minister is no doubt aware that there are regulations in the United States which effectively exclude exporters of urban transit facilities from access to that market.

Is the minister aware, specifically, that Flyer Coach of Manitoba, a successful corporation, is now considering establishing a plant in North Dakota, thus moving Canadian jobs south, because of these U.S. regulations? If so, what is he doing to get them changed?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have been working actively with American officials to reach agreement to change these regulations. In view of the case brought to my attention by my hon. friend, I will instruct our officials to expedite these discussions.

Mr. Broadbent: Madam Speaker, this problem has existed for many years, before the Liberals were in power. We have successful urban transit companies such as Bombardier, Hawker Siddeley, as well as Flyer Coach. We have a multibillion dollar trade deficit in manufactured goods every year with the United States. When will the government be able to announce to Canada that we are to have fair access to the United States for manufactured goods, just as they have to our markets?

Mr. Gray: Madam Speaker, we will make the announcement as soon as we have the right type of agreement for Canadian workers and the Canadian economy.

Mr. Broadbent: Madam Speaker, with this government we can wait forever for that announcement. Since success with the American government on this matter will depend ultimately on their decision, I would like to ask the minister a question with regard to this government's promises that we heard so much about earlier in the question period.

Since the Liberals promised to provide assistance in the way of funds for urban transit to Canadian municipalities, will the minister now assure the House that they will implement that promise, so that cities from Vancouver in the west to St. John's in the east will at least have money with which to buy urban transit facilities that are produced in Canada?

Mr. Gray: This is an important point, Madam Speaker. I will be discussing it with my colleagues, the Minister of Transport and the minister responsible for urban affairs.

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AIR TRANSPORT

STATUS OF TRANSPORT COMMISSION DECISION ON HALIFAX-TORONTO ROUTE

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is for the Minister of Transport, who I believe is also the acting prime minister.

Mr. Crosbie: Acting is right.

Mr. Crosby: The minister is aware of the decision made on April 9 of this year by the Canadian Transport Commission, whereby CP Air was granted permission to serve the Halifax-Toronto route and Eastern Provincial Airways was denied access to the same route.

The Toronto *Globe and Mail* said the decision demonstrated an "utterly lazy incomprehension of Canada's problems" and should be overturned by the cabinet. Will the minister confirm that the decision has been appealed, and to what authority? Will he also indicate when any such appeal will be heard and determined, and what considerations will be involved in the appeal process?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can answer this question in part, for sure.

Some hon. Members: Hear, hear!

Mr. Pepin: First, one's view on the decision of the Canadian Transport Commission on this matter depends very much upon which region of Canada he comes from. I have heard varied views on the subject; some totally opposed, in fact.

Second, this decision has been appealed to cabinet, to the Minister of Transport. Third, all documents relevant to this appeal will, I believe, be filed by June 16. A decision by cabinet will then be made on the subject one way or the other.

Mr. Crosby: The minister referred to the views of the people in Atlantic Canada. I know he is aware that all four Atlantic premiers supported the position of Eastern Provincial Airways. Most members of Parliament from the Atlantic area, members of the legislatures and even municipal councils supported the position of Eastern Provincial Airways. I would ask the minister what relevance this has to the decision-making process of the Canadian Transport Commission: if they do not pay any attention to these kinds of representations, why do they hear them?

I would, at the same time, ask the minister to indicate if there is anything he can do to stop CP Air advertising the route as though the decision had already been taken on appeal, by advertising new and very competitive rates and the like.

Mr. Pepin: Madam Speaker, the views of the people of the Atlantic provinces have been taken into consideration by the CTC. These people, in great number, made representations to the CTC. Obviously, they will be taken into account by the government as well in the appeal procedure to which I referred a moment ago. Without appearing to take sides—I would not want to do that at this moment—a number of people from the maritimes have written to me indicating their agreement with the decision. Reference has been made to substantial travel which would take place to the maritimes from western Canada. So it is not a black and white situation, and that is why it will be a difficult decision to make.

* * *

● (1140)

TRANSPORT

UPGRADING RAIL AND PORT FACILITIES—COST-SHARING

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question, too, is addressed to the Minister of Transport. It will take him from the east coast to the west coast, where he has spent a lot of time negotiating with the province of British Columbia in an attempt to reach an agreement by June 10 with respect to the improvement of certain infrastructures which will facilitate the transportation of northeast coal to export markets.

Is the minister in a position today to tell the House what assurances he has been able to give the British Columbia government, whose representatives are leaving for Japan to sign coal deals, that the federal government will live up to the commitment made by the former government, namely, to share in the cost of extending certain sections of the British Columbia Railway and upgrading the facilities of the CNR and certain port facilities to bring about these objectives?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am glad it is now recognized that I am doing my job with respect to the west coast. Thank you very much. The situation is this: on May 5 a number of members of this cabinet were in Victoria and had a long discussion with the committee on economic development of that province. At that

point, an agreement in principle was reached and a certain sum of money, quite substantial, was left on the table by the federal government.

Following this agreement in principle, however, the government of the province changed its mind with regard to two major aspects of this project. One of them concerns the question of responsibility for putting together, maintaining and operating the transportation of the coal from the mine to the port. Originally, it was supposed to be the BCR; now the government of British Columbia has asked CN to do it, and CN, energetically and valiantly, has agreed to accept this responsibility—in difficult circumstances, it must be said. Using figures which were available, they have tried to put together a package, on which they reported to us yesterday. That package is now being refined, hardened and analysed, and the minister in charge of economic development at the federal level will be in touch with his counterpart in British Columbia in a few days.

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NATIONAL REVENUE

DUTY-FREE SHOPS AT BORDER CROSSING POINTS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is addressed to the Minister of National Revenue. Will the hon. gentleman advise the House when the administration intends to implement a decision taken many months ago by the previous administration to provide for the opening of duty-free shops at border crossing points with the United States?

Can he advise us that the delay in implementing this decision is a matter of inertia? Or is it the intention to make the announcement with due fanfare about the end of the tourist season?

Hon. William Rompkey (Minister of National Revenue): I want to thank the hon. member for the question and tell him that the record of this government is certainly not one of inertia, but indeed the opposite.

Some hon. Members: Hear, hear!

Mr. Rompkey: We are reviewing the work which was done previously. I doubt there will be substantial change, but there will be some changes. I share the hon. member's concern with regard to bringing forward this policy as soon as possible. I think it is important for business in Canada, particularly the tourist industry, and I hope we can bring forward a policy in the shortest possible time.

Mr. Lambert: Would the minister indicate the area in which revision is required, or is it merely a formality of dotting the "i's" and crossing the "t's" and making some changes for the sake of change in a decision which had been years in preparation, which had involved years of planning and which had been hardened and firmed by the cabinet many months ago?

Mr. Rompkey: Madam Speaker, particularly in the area of licensing, I want to be assured that the best possible policy is put forward. I hope we shall be in a position very shortly to bring forward that policy.

An hon. Member: The machinery will be good for Liberals.

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CULTURAL AFFAIRS

GOVERNMENT SUPPORT FOR VANCOUVER ART GALLERY

Hon. John A. Fraser (Vancouver South): Madam Speaker, I would like to put a question to the acting prime minister. Some months ago—in fact, almost a year ago—in the city of Vancouver a number of private citizens raised over $4 million as a contribution to a new art gallery. As a consequence of those funds being raised on the basis that pledges would be sustained as long as the federal government matched them, the Conservative government made a commitment that the money would be available for a new art gallery in Vancouver, which is long overdue. Almost all those who are knowledgeable in this matter, from the east coast to the west coast, have supported and endorsed the object of the exercise in Vancouver.

I want to ask the acting prime minister, or whoever is prepared to answer, whether this commitment which the government I represented made to the city of Vancouver is to be honoured, or whether we must put up with what a Vancouver editorial called the "blackmail argument" put forward by the Secretary of State, that it would only come along if, indeed—

Madam Speaker: Order, please. I think the hon. member has already put his question.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, speaking today for the Secretary of State, I would reply that the situation of the Vancouver gallery is one of very great concern to us, particularly to me, as I was secretary of state at the time the original discussions took place.

I think it fair to say, Madam Speaker, that as a government we are very anxious to provide what support we can, but it is undoubtedly true that the initiative of the Conservative government in turning over to the provinces essential control of Loto Canada funds has made it much more difficult to respond to the request which was made to us. As you know, Madam Speaker, the question of the status of Loto Canada is one which preoccupies the government at the present time. I simply express the hope that it will be possible at some stage to provide the kind of support which is very much needed in the area. But at the moment—

Some hon. Members: Hear, hear!

Mr. Fraser: I want to ask the hon. member whether it is now the policy of the government, because of changes in the lottery situation, that there is to be no way for something as vital to the cultural community of western Canada as that art gallery.

That is exactly what I started to put to the minister before Your Honour, quite appropriately, I must confess, cut me off. That is the kind of blackmail which the citizens in Vancouver are saying is not satisfactory.

Can the minister tell me whether the proper federal contribution to that art gallery, which is not out of line—it has been done with other cities, and the hon. minister knows it—is going to be stopped because of the change in the lottery situation?

Mr. Roberts: Madam Speaker, I do not think the hon. gentleman's words accurately reflect the response I made to him. There used to be a program of capital assistance for a variety of cultural institutions across the country. In my view, regrettably but necessarily in view of past restraint programs, that capital assistance came to an end. It was the hope of the government that the accession of Loto Canada revenues to the federal government would enable the government to support a variety of very useful projects such as the one the hon. member has described.

I do not agree that it is a question of blackmail to simply reiterate the fact that the previous capital funding program disappeared under restraint, and it was hoped to use Loto Canada funds to make up the difference. The fact of the matter is that under the previous Liberal government there was a guarantee of a much stronger flow of funds from Loto Canada to support sports and the arts than could take place as a result of the arrangements which the Conservative government made to turn over the essential direction of Loto Canada to the provinces. That is not a question of blackmail, Madam Speaker; it is a question of the fact.

The decision which the Conservatives took, with whatever purposes in mind, has made it much more difficult to find funds for those purposes. This does not exclude the possibility that other funds may be found, but the action of the Conservative government has made it much more difficult to respond to that kind of request.

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● (1150)

MINING

COMPOSITION OF NATIONAL ADVISORY COMMITTEE—GOVERNMENT ASSISTANCE IN QUEBEC MINE TRAGEDY

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I should like to direct my question to the Minister of State for Mines. It arises from remarks made by the minister on May 28 at the annual meeting of the Mining Association of Canada, that she—

—is prepared to meet with any group from the mining industry, whether they represent industry, the union, or others, to seek ways to make the mining industry a safe and healthy place to work—

In view of her intention to "open the doors to labour", to overcome "insufficient communication" between labour and management in the mining industry, and in view of the minister's recent announcement of the names of those who will serve on the national advisory committee on the mining industry, can the minister tell the House why—

Madam Speaker: Order, please. I feel that some preambles are really too long. Would the hon. member come to his question.

Some hon. Members: Hear, hear!

Madam Speaker: We are not able to do justice to all members who want to be recognized. It is important that hon. members discipline themselves and not precede their questions with long preambles, especially when they are reading them.

Some hon. Members: Hear, hear!

Mr. Kristiansen: Madam Speaker, I was just about to begin my short question when you rose. Will the minister explain, in light of those remarks, her recent announcement that all those who were serving on the national advisory committee on the mining industry come from the top executive level of management, and there is no one from labour; and will she give a commitment to change that in the next few weeks?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, may I assure the hon. member for Kootenay West that I intend to do just that. I opened the doors to labour just this morning. I spoke with Stewart Cooke, of the United Steelworkers of America—I speak to him on an average of twice a week—and in fact I discussed with him the possibility of including the coal miners from the east coast in some sort of committee in which we can discuss the health and safety of the workers. I intend to pursue it with great vigour.

Some hon. Members: Hear, hear!

Mr. Kristiansen: Madam Speaker, my supplementary question is to the same minister. In the same spirit, and in view of the message just received from the United Steelworkers of America and the Ontario president of Inco regarding the eight miners buried at Val d'Or, Quebec, and in view of the apparent inability or lack of will on the part of the federal government so far to do anything, will the minister now act on this offer of Inco and the Steelworkers and co-ordinate assistance in this emergency? Further, will she undertake to form a standing, mobile national rescue team which can assist in this kind of life and death emergency in the future?

Mrs. Erola: It is just such a discussion that I had this morning with the minister of mines in Quebec, the hon. Mr. Bérubé. He assured me, as the hon. member is aware, that the matter is under provincial jurisdiction, that it is well co-ordinated and that they require at present no additional assistance. We have offered him whatever assistance and expertise is necessary through our department, and we are awaiting the call for help.

Some hon. Members: Hear, hear!

[*Translation*]

AIR TRANSPORT

REQUEST EASTERN PROVINCIAL AIRWAYS IMPROVE SERVICE IN MARITIMES

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, my question is directed to the sympathetic Minister of Transport. First, I want to make it clear that I have nothing against EPA flights between Halifax and Toronto. Could the minister assure hon. members from the four Atlantic provinces that he will seek a commitment from EPA to improve their intraregional service, and especially to provide service to the areas of the region which do not have one now?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will add this concern to those I already have.

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[*English*]

RAILWAYS

CONSULTATIONS ON QUESTION OF BRANCH LINE ABANDONMENT

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. Having regard to the minister's intention to rescind orders in council which preserved the status of some 30 branch lines in western Canada, and given the fact that such a decision to preserve these branch lines was taken after full consultation with the elevator companies and the producers involved, may I ask the minister if he has discussed his plan of action with the elevator companies?

Also, can he advise the House whether he consulted the minister in the other place in charge of the Canadian Wheat Board, and the Minister of State for Economic Development, since the decision that he is proposing will have a negative impact upon grain producers in western Canada and, indeed, upon the economy of western Canada? If so, do they agree with his proposed course of action?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I must say I was surprised to hear this morning that a decision had been made. I was specific in the committee yesterday in saying that this matter was being reviewed.

I have a number of preoccupations of which I spoke yesterday in the committee. The first one is the rising percentage of lines to be rehabilitated and the rising costs that result from it. By this time, with this recent addition, 82 per cent of the branch lines would have to be rehabilitated and the cost would be the equivalent of two years of the present budget, which is substantial; that is, $70 million a year. So I am preoccupied by the lack of priority, the lack of discipline in this process.

My second preoccupation is the process itself. In the past, these rail lines to be rehabilitated were identified by an official or a semi-official process. Consultations took place, explanations were given and decisions were made. In the last instance, this process was conducted by elected members of the party then in power and it is very difficult for me to justify the prohibition orders in view of the fact that I do not have access to the reasoning that preceded them. I was frank enough with the committee to say what my preoccupations were at this time.

Mr. Mazankowski: It is quite obvious that the minister is clearly not satisfied with the decision taken by the previous government in so far as costs are concerned. Even the railways would indicate to him that those costs could be reduced rather dramatically.

My supplementary question is as follows: Since the minister's action will simply further delay the disposition of branch lines—which is something that has been kicking around for some five years—does he not consider his action to be blatantly unfair to the 7,500 producers who will be affected, as well as to the communities that will be affected? This will simply perpetuate further anxiety, apprehension and hardship on the producers and communities affected. Cannot he accept the sheer fact that the elevator companies want these services retained, and so do the producers? If he were at all interested in western Canada, he and his government would ensure that those services were retained.

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, I can only repeat my reasoning. It may be that if all these lines in orders 16, 17 and 18 are not retained for rehabilitation, some farmers might be discontented. But the decision has not been made. A number of these lines could be rehabilitated.

I have in mind, also, the discontent of people on lines that have already been identified for inclusion in the system who will not have the benefit of that rehabilitation because money will not be available. That is a consideration which my friend should have in mind also. I am looking at the total number of people involved in this matter, and I am sorry if a limited number might be affected by the decision that will be made. But, again, the decision has not yet been made.

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AIR TRANSPORT

AIR SERVICES BETWEEN ATLANTIC AND CENTRAL CANADA

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, as one who had, by virtue of our mutual profession, the obligation to use the air services between Atlantic Canada and central Canada, I should like to draw to your attention the fact that the scheduling of the competitive lines with EPA has been such as to make it so inconvenient for travellers travelling by EPA that there might be some element of discontent expressed from Atlantic Canada in that regard.

I should like to ask the Minister of Transport if he would take into consideration, for the convenience of all the citizens of Atlantic and perhaps central Canada, the idea that his

office should be exercised to ensure that there be reasonable connections between EPA and the regional carrier in Atlantic Canada and the airlines which serve the rest of Canada.

Hon. Jean-Luc Pepin (Minister of Transport): I welcome this representation, Madam Speaker.

Mr. McCain: The situation is that there are parallel flights by Air Canada and EPA to the same destination.

Madam Speaker: Order, please. Will the hon. member ask his question and make it brief?

Mr. McCain: What will the minister do to eliminate simultaneous flights by competitive lines? What will he do to eliminate three-hour waits in Montreal when flying from Ottawa to Fredericton? What will he do to make it possible for the people in Atlantic Canada in general, and for EPA in particular to become a viable unit? This company is of great importance to the Atlantic area and should be granted the Toronto franchise.

Mr. Pepin: I will do my very best, Madam Speaker.

* * *

● (1200)

NATIONAL DEFENCE

NORAD—FALSE STRIKE ALERT—EFFECT ON CANADIAN SQUADRONS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I have a question for the acting prime minister regarding NORAD being placed on strike alert on Tuesday as a result of a computer error—the second such error in seven months—and at least one plane taking off from Hawaii.

I should like to ask the acting prime minister whether any Canadian bases were put on alert, as Comox was last time, and whether any planes in the Canadian squadrons assigned to NORAD took off.

An hon. Member: And have they returned?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am advised that of course this was a false alarm and that Canada was informed of the false alarm. I am also informed that no action resulted from it on Canadian soil.

Point of Order—Mr. Crosbie

INDUSTRY

TELIDON PROJECT—APPLICATIONS UNDER ENTERPRISE DEVELOPMENT PROGRAM

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the success of the Telidon project announced today, is the minister prepared to lend his support to the development and demonstration of private enterprise communication proposals such as the Cable Link Company project in Sault Ste. Marie which has applied for assistance from the enterprise development program, but so far seems to have been bogged down by red tape and now will probably be developed in the United States?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will be very happy to look into the status of the enterprise development program application in question and report back to the hon. member as soon as possible.

* * *

POINT OF ORDER

MR. CROSBIE—INDEXATION OF PERSONAL INCOME TAX—POSITION OF NEW DEMOCRATIC PARTY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my point of order has to do with the remarks of the finance critic of the NDP during question period, who suggested that truth was somehow lacking in a comment I had made about the NDP opposing the indexing of personal income tax. As a matter of fact, this may be a question of privilege.

I should like to refer to *Hansard* of June 2, 1980, which clearly shows that the NDP is opposed to indexing of personal income tax, an opposition which was first expressed by them in 1973. At page 1625 of *Hansard* of June 2, the hon. member for Broadview-Greenwood (Mr. Rae) asked this question of the Prime Minister (Mr. Trudeau):

> While we may agree that the index is particularly regressive and we oppose its introduction—

That is what the hon. member for Broadview-Greenwood said, that he was opposed to indexing and indexing was regressive.

That was no surprise to me because in 1973 his party pooh-poohed the whole suggestion made in the Turner budget of that year. I should like to quote from *Hansard* of February 21, 1973, at page 1527 when the NDP finance critic spoke in the House about indexing in reply to the budget speech of Mr. Turner. Mr. Saltsman then said that the NDP had "reservations about the indexed income system". They did not care about the low-income taxpayers of Canada. Further on the same page he indicated that indexing was "phony". So the hon. member's indignation was certainly phony when I said that they opposed indexing.

Further on at page 1529 Mr. Saltsman said that the NDP "did not think it is a very good idea". This was the official

position of the New Democratic Party on a matter which is to help the ordinary taxpayer when faced with inflation. The New Democratic Party does not care what happens to the taxpayers of this country when they are faced with inflation or in any other way. "Sock it to the taxpayer, the low, medium or high-income taxpayer."

I call on the member for Toronto-Broadview or whatever the district is—Greenwood-Broadview; it is green, anyway—

An hon. Member: Broadview-Greenwood.

Mr. Crosbie: Broadview-Greenwood—to retract his statements that we did not recognize the truth when we saw it in St. John's West. The truth is that the NDP is opposed to indexing personal income tax so that taxpayers will avoid being unfairly taxed because of inflation. They opposed it in 1973. They opposed it again on June 2, 1980. The member might as well face the fact that they are opposing indexing. We are opposing the government's removing indexing; they will support it. We will meet them on the field of battle if the government dares to try removing indexing from income tax.

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, the hon. member for St. John's West (Mr. Crosbie) and I have met before on the field of battle. I look forward to meeting with him again.

An hon. Member: Get on with it.

Mr. Rae: Of course, I appreciate his clear analysis of the position of the New Democratic Party. I did not raise this question of privilege; he did. Instead of giving us an opportunity to respond, he introduced his question by way of an introduction to a member for the Liberal party, as a form of aside, giving what is an extremely partial account of the position—

An hon. Member: A half-statement.

Mr. Rae: A half-statement, a half-baked and half-truthful statement.

Mr. Crosbie: What is your position?

Mr. Rae: The hon. member should wait a while. If he wants to hear our position, I can give it to him at great length and with tremendous clarity.

Mr. Crosbie: It is time you did.

Mr. Rae: No, there is no problem. It was a half-statement. I think that is niggardly. One talks about the Minister of Finance (Mr. MacEachen) sneaking in a budget. I think the hon. member for St. John's West is no better.

An hon. Member: He is worse.

Mr. Rae: He is sneaking in a casual aside which is a misrepresentation of the position of the New Democratic Party. The member should read into the record the entire exchange between the Minister of State for Finance (Mr. Bussières), the Prime Minister (Mr. Trudeau) and myself on June 2, and the exchange between myself and the Minister of State for Finance today. Yes, it is true that we were opposed in 1973 to the kind of indexation which was produced in 1973—

Mr. Crosbie: You had to admit it.

Mr. Rae: —for the simple reason that, like everything the Tory party presents, it gave the most to those who had the most and the least to those who had the least. Why the hon. member for St. John's West was defeated as a minister when he brought in his pathetic budget on December 12 was because he was giving the most to those who had the most and the least to those who had the least.

Mr. Crosbie: Read that budget again.

Mr. Kempling: Where were you when we needed you?

Mr. Rae: I have read the budget many times. I have not read it as often as the Minister of Finance, but I have read it a number of times. That is precisely why on the principle of indexation our party has said consistently that rather than having a system of indexation which gives the most to those who have the most and the least to those who have the least, there should be a principle of protection from the effects of the cost of living which would take the form of a cost of living tax credit. That tax credit would give the most to those people who have the least, and the least to those people in the higher income brackets. That is the clearest difference between our two parties.

I do not mind the hon. member for St. John's West saying that he disagrees, but he thinks he has a monopoly on the term "indexation". He thinks the indexation invented by him is the only kind of indexation known to mankind. That is an absurd position. The hon. member did not invent the wheel, he did not invent good budgets and he did not invent the science of economics. Certainly he did not invent the science of fair, forensic display in the House of Commons. If he wants to be fair and if he wants to be a man about it, he would come out and say exactly what his opposition is to the New Democratic Party.

Some hon. Members: Oh, oh!

Mr. Rae: He would say that we in the New Democratic Party have a principle of indexation and that they in the Tory party have a principle of indexation. We do not know what members opposite have over there because they have never made up their minds on anything. But he should at least have respect for the integrity of other members and respect for the integrity of our party to say that no party has fought harder for protection against the effects of the cost of living than the New Democratic Party.

Some hon. Members: Hear, hear!

Madam Speaker: Well, I am just a woman, but I must say that this is not a point of order; obviously it is a point of

debate, and the two members have had a chance to have this exchange under the disguise of a point of procedure.

* * *

PRIVILEGE

MR. HAWKES—ALLEGED FAILURE OF NOTIFICATION OF COMMITTEE OF THE WHOLE STAGE OF BILL C-19

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise on a question of privilege related to the government business of yesterday. I sat in this House at 3.30 in the afternoon and listened to the hon. House leader respond to the House leader from this side about the business to be discussed in the House yesterday. I have subsequently had an opportunity to check my recollection by reading *Hansard*. Nowhere in the *Hansard* record and nowhere in my recollection was there any indication that this House would go into Committee of the Whole to discuss the employment tax credit. There was no indication subsequent to that 3.30 announcement.

We had members on this side of the House who wished to address the principle of Bill C-19 during debate on second reading. They were here all afternoon but did not have the opportunity. Acting on what we felt to be the information given to us by the House leader, we had speakers arranged for the evening to speak to the unemployment tax credit bill starting at eight o'clock. We arrived in this House to discover that we were moving through second reading stage and into Committee of the Whole. The opportunity to debate that bill on second reading was lost for many of the constituents in this country because members were not warned that it would happen and they were not present.

Perhaps of more importance, if one checks the record last evening, is that I think it is proper procedure in Committee of the Whole for members of this House to have an opportunity to gather from the minister the information required to make an intelligent decision about a bill and perhaps to move amendments. The minister responsible for this bill was in the House last evening. I suspect that moving Committee of the Whole was a surprise to him. Certainly there was no evidence that he had officials present. If one examines that two-hour record, it becomes relatively clear that the minister did not have the information in his head to answer the very simple questions that were put on occasion; that he did not have the assistance of officials who would have the normal kind of documentation to provide him with the detailed information which this House required; and that that process was an infringement of privileges of all members of this House.

If we are to make this place function as efficiently as possible, then we must have some sense of warning as to the issues which will be debated on any given day and the sequence of events which are likely to occur. I hope Madam Speaker will use her good offices to ensure this kind of situation will not arise in the future.

● (1210)

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I would like to make two short points on the same question of privilege. I too was in the House yesterday at three o'clock, I was here when the House recessed for the dinner hour, and also when the Gentleman Usher of the Black Rod came in to summon us to the other place. I came back shortly after eight o'clock. I was about five minutes late but I had been prepared to speak on Bill C-3, which was supposed to be the bill to be called. I had prepared myself for debate on that matter, only to find that the House was then in Committee of the Whole dealing with Bill C-19.

There are two points I wish to make. First, I was frustrated in my attempt to contribute to informed debate in the House. I think it is an offence against my privilege that I was not given the courtesy by this Liberal government of being notified of its plans. I should not be the victim of poor planning on the part of the Liberal government in terms of its legislative program, or of its discourtesy in not letting hon. members of the House know of the change in plans.

Second, I believe it frustrates members of the House, given the government's stated intent that it wants quality and informed debate in the House, to find the order of business suddenly changed. This frustrates that kind of informed participation, particularly when the House goes into Committee of the Whole. This tells members of the House, in effect, that the government really does not care about the quality of debate, but that it simply plans to go through Committee of the Whole stage. If the government cared at all, it would allow hon. members some time for preparation and would permit proper, informed debate. The very fact that such a thing is sprung on us on the spur of the moment tells me that the government really is not calling for informed debate or participation, but is simply going through the motion. I consider that an affront to all members of the House, including government members, and certainly an infringement of my privileges.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, may I draw page 1786 of *Hansard* to the attention of the two hon. members who have just spoken, specifically my answer yesterday to a question put by the House leader of the official opposition. It is very clear from what is recorded in the second column that it was possible that we would go into Committee of the Whole yesterday on Bill C-19. What I said was:

> I committed myself to my colleagues this morning—

I was speaking of the House leaders.

> —that if we were to end the second reading stage of Bill C-19 before five o'clock today, tonight we would switch to Bill C-3—

That was not the case. What that meant was that if we had concluded second reading stage of Bill C-19 before five o'clock, we would have gone to Bill C-3 in the evening. The fact is that at five o'clock we had not concluded the second reading stage of Bill C-19 and, consequently—well, I suppose they are intelligent enough to understand the consequences. I think they were the victims of their lack of attention, Madam

Speaker, or a lack of communication with their own House leader.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise in light of the rather unfortunate suggestion that our House leader was not performing his duty properly. I am the acting House leader of our party today.

An hon. Member: He did not say that.

Mr. Hnatyshyn: I suggest that in light of this typical activity on the part of the government House leader, who should be interested in developing an atmosphere in this House of co-operation, if he is legitimately interested in getting legislation through, he should not make the smart aleck remarks for which he is so famous. Perhaps, Madam Speaker, we might want to reserve this point until my House leader returns to the House. He is on business today that caused him to be out of Ottawa.

In light of that kind of smart aleck remark, I suggest that perhaps we should wait until our House leader returns in order to determine what kind of arrangement, consultation and discussion took place between the government House leader and opposition members. Maybe in this way we can get to the bottom of this very important question of privilege raised by my friend, the hon. member for Calgary West (Mr. Hawkes).

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I do not propose to spin this argument out. I have to say that my colleagues and I were not taken by surprise.

Some hon. Members: Hear, hear!

Mr. Knowles: The item in question, Madam Speaker, the debate in Committee of the Whole on the bill, is still before us. Any day next week we can have all of the discussion anyone wants. Are we not just wasting time having this discussion now?

Madam Speaker: Order, please. I think I am sufficiently informed of what seems to have taken place that I do not need to listen to further argument. I apologize to the hon. member for Edmonton-Strathcona (Mr. Kilgour) for not recognizing him.

It seems to me that in some area there must have been a lack of communication. The information was available either on the order paper or in statements made in the House. It is not a task of the Chair to stipulate in respect of this matter. The affairs of the House of Commons are entirely in the hands of the House of Commons, and the government is, of course, responsible for determining the order of business. That seems to have been done.

There might have been a lack of communication, but I am sure that members will, among themselves and with their House leaders, take the necessary steps to prevent again being taken by surprise. I am sorry the hon. member seems to have been taken by surprise, but it seems that the information was available.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

Second Report of Standing Committee on Transport—Mr. Malépart.

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

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[*Translation*]

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY INCREASES

Madam Speaker: I have the honour to lay upon the table an extract of the minutes of the meeting of internal economy commissioners which was held on June 4, 1980, respecting the review of the salary of some employees of the House of Commons.

* * *

● (1220)

[*English*]

PETITION

REQUEST FOR CONTINUATION OF SERVICE OF "SAMSON V" STERN WHEELER

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I should like to present a petition on behalf of over 7,000 residents of British Columbia who want the *Samson V,* a stern wheel steamer with 43 years of service, to continue its long history of providing service on the Fraser River by tending navigation buoys and removing snags and deadheads from the river, thereby ensuring safety for fishermen, freighters and pleasure boaters in the harbour of New Westminster and on the Lower Fraser River. On behalf of the petitioners, I ask for serious consideration by the government of their request that the *Samson V* be continued in active service.

* * *

BUSINESS OF THE HOUSE

NOTICE OF TIME ALLOCATION FOR SECOND READING OF BILL C-30

Mr. Pinard: Madam Speaker, I wish to inform the House that there have been consultations among the representatives of the parties and that it has not been possible to reach an agreement under the provisions of Standing Order 75A or 75B in respect of the proceedings at the second reading stage of Bill

C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81. I wish to give notice that, at a future sitting of the House, I shall propose a motion, pursuant to Standing Order 75C, to allocate one additional sitting day to the second reading stage of the said bill.

Some hon. Members: Closure.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 165, 166, 244, 319, 320, 594, 692, and 870.

I would ask that the remaining questions be allowed to stand.

[*Text*]

NATIONAL HEALTH AND WELFARE—CAFFEINE

Question No. 165—**Mr. Cossitt:**

1. Is caffeine considered by the Department of National Health and Welfare as the drug consumed the most in Canada in various forms and, if not, what is such drug?

2. Is it an established fact that caffeine can often cause cardiac arythmias?

3. Has the department any evidence that caffeine may cause cleft palates and other deformities in unborn children, still-born babies and spontaneous abortions?

4. Is the Department aware that the United States Food and Drug Administration has tested caffeine on rats with the result that some have been born without toes?

5. Is caffeine regulated by any federal law and, if not, for what reason?

6. What level of caffeine, in the department's view, can be consumed daily by the average individual without causing physical harm?

7. Is the department considering the labelling of products containing caffeine as potentially dangerous above certain amounts of consumption?

8. What amount of caffeine is in (a) ten ounces of Coca-Cola (b) one cup of coffee (c) one cup of ordinary tea (d) one bottle of Pepsi-Cola?

9. Is there evidence to show that caffeine can cause anxiety, tremors, higher blood pressure, inability to sleep and ulcers?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Definite evidence to answer this question is not available. However, the Department of National Health and Welfare estimates that on the basis of the amount used by Canadians, alcohol ranks first.

2. Caffeine may produce cardiac arythmias in some susceptible individuals.

3. The department is not aware of any evidence indicating that the ingestion of caffeine causes birth abnormalities in urborn children, stillborn babies, or spontaneous abortions. Two retrospective epidemiological studies of more than 14,000 mothers whose caffeine consumption was tabulated revealed no apparent association between caffeine consumption was tabulated revealed no apparent association between caffeine intake and abnormalities in their offspring.

4. The department is aware of a preliminary study conducted by the United States food and drug administration in which fetuses were observed with missing digits when caffeine was administered at a massive dose level of 80 milligrams per kilogram of body weight by mouth to pregnant female rats. There is no evidence that caffeine consumption during pregnancy is associated with missing digits in humaninfants.

5. Caffeine is regulated in part B of the food and drug regulations, specifically table 8, division 16, restricting its use as a food additive to cola type beverages, the maximum level of use n to exceed 200 parts per million. Caffeine is used as a drug and is regulated in the same manner as all drugs.

6. Although it is known that reversible pharmacological effects of caffeine become manifest at doses in excess of 300 milligrams, there is no evidence that lasting harmful effects occur below the lethal dose of approximately 10 grams.

7. Based on the scientific data available at this time, the department is not considering the labelling of products containing caffeine as potentially dangerous.

8. (a) and (d) A ten-ounce bottle of cola beverage (Coca Cola, Pepsi Cola) contains approximately 40 to 50 milligrams caffeine. The caffeine content of an average cup of coffee is approximately 85 milligrams and an average cup of tea 50 milligrams.

(b) and (c) These values may vary slightly depending on the method and length of time of brewing.

9. Reactions in some individuals may be observed following the ingestion of excessive amounts of caffeine. These occur mainly in the nervous system producing insomnia, restlessness, excitement and tension, but these symptoms are readily reversible. There is no concrete evidence that caffeine induces high blood pressure or peptic ulcers.

HEALTH AND WELFARE—CALCIUM PANGAMATE

Question No. 166—**Mr. Cossitt:**

1. What are all the details possessed by the Department of National Health and Welfare regarding calcium pangamate, sometimes sold under the name of Nyamik 15?

2. Is the drug sometimes referred to as Vitamin B-15 and has it been classified as such in Canada or is it being considered?

3. To the knowledge of the department, have certain American doctors referred to it as vitamin B-15 and have they claimed that their studies have shown that it gives energy to a person within a 1/2 hour to an hour after consumption?

4. Has the drug, in the department's view, any valid use whatsoever and (a) if so, what are such uses (b) if not, is its promotion therefore questionable?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Calcium pangamate is a salt of pangamic acid which can be extracted from apricot kernels, peach stones and rice bran. It is found in many seeds and is also present in brewer's yeast, ox blood and animal liver.

2. Calcium pangamate is not a vitamin and labelling it as vitamin B-15 would be at variance with the food and drug regulations.

3. There have been claims made to the effect that calcium pangamate can provide the body with extra energy but the department has not received credible evidence to support this claim.

4. (a) Pangamic acid and its calcium salt have been promoted for the treatment of a variety of conditions including heart and blood vessel diseases, diabetes, cancer, liver disease, asthma, arthritis and alcoholism. Neither the acid nor its salt has been shown by adequate and properly-controlled studies to be safe or effective for treating these or any other disease.

(b) No medical or nutritional use for pangamic acid or its calcium salt has been established to the satisfaction of the department, and any promotion of that nature is not considered valid by the department.

VETERANS AFFAIRS—NUMBER OF WAR VETERANS HOSPITALIZED

Question No. 244—**Mr. Herbert:**

1. How many war veterans are presently hospitalized and considered the responsibility of the government?

2. How many are in hospitals administered by the Department of Veterans Affairs and what was the cost in the last fiscal year for their care?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):
1. On average 1,220.

2. (a) On average 430.

(b) $7,007,439.

DRUG RECALLS

Question No. 319—**Mr. Herbert:**

In each of the past five years, what was the number of (a) drug recalls recorded (b) drug recalls by dosage?

Hon. Monique Bégin (Minister of National Health and Welfare): (a) and (b) See list "A"

Drug Recalls—By Dosage Form by Fiscal Year

Dosage Form	1975/76	1976/77	1977/78	1978/79	1979/80
Solid Oral	20	14	16	15	7
Liquid Oral (also gels)	11	5	4	9	11
Injectables	17	18	17	9	9
Suppositories	—	1	1	1	9
Opthalmics	1	2	3	2	1
Topical	8	17	12	9	5
Nasal	—	—	2	1	5
Aerosol (inhalation)	—	—	—	—	1
Total By Year	57	57	55	46	48

BRAND NAME DRUGS—COUNTERFEITING

Question No. 320—**Mr. Herbert:**

What evidence has been obtained by the government, if any, to indicate the extent of counterfeiting of the shapes, colours and sizes of brand name drugs?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: No evidence has been obtained to indicate the extent of counterfeiting of the shapes, colours and sizes of brand name drugs.

PARKS CANADA—PURCHASE OF LAND—COUNTY OF LEEDS

Question No. 594—**Mr. Cossitt:**

1. Did Parks Canada or anyone acting on behalf of its subsidiaries, such as the Rideau Canal, purchase land, islands or any property in the County of Leeds in the past three years and, if so, in each case (a) what is the nature and location of the property and on what date was it purchased (b) what was the purchase price (c) what was the name of the vendor?

2. What was the purpose of the purchase and what use is being or will be made of the property?

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

1. Yes. Since April 1977 the following lands have been purchased in the County of Leeds by Parks Canada:

(a)	Nature/Location	Authority/Date	Closing Date	(b) Purchase Price	(c) Vendor
(i)	Part Tar Island, Rideau Lake, and part Lot 10, Conc. 3 Twp. of South Burgess	T.B. Rec 762071 1/2/79	29/2/80	$300,000	Hester R. Browne
(ii)	Island 189, Rideau Lake, Twp. of South Burgess	T.B. Rec 763446 15/3/79	20/4/79	$197,000	Livingstone Holdings Ltd.
(iii)	Part Lots 7-9, 19-23, 30-34, 42, 43 and 44, Jones Falls, Rideau Canal, Twp. of South Crosby	Deputy Minister under Govt. Land Purchase Regs. 17/9/79	21/12/79	$ 62,500	Gerald P. Fischer and Gwendalene Fischer

2.	Purpose	Present/Future Use
* (i)	To meet CORTS Agreement objective of preserving open space in the CORTS corridor, by counteracting private commercial development through public acquisition of properties placed for sale on the open market.	To retain property in natural condition although some potential for limited future boat-oriented facilities and recreation.
(ii)	Same as above	To retain property in natural condition although potential for future limited boat-oriented recreation facilities as well as some camping, picnic facilities and swimming.
(iii)	Same as above	Future proposals contemplate use of the lands for interpretation, parking, day use trails, recreation, open space and natural environment zones.

*CORTS: Canada-Ontario-Rideau-Trent-Severn

DEPARTMENT OF JUSTICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 692—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Justice for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): 1. One.

2. (a) 1

(b) None

(c) None.

3. None.

4. $6,000.00.

SNOW CRAB—ADDITIONAL LICENCES—ATLANTIC PROVINCES

Question No. 870—**Mr. Gass:**

Will there be additional licences issued for snow crab in the Atlantic provinces and, if so (a) how many (b) how will new entrants be selected?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): It is not the intention of the department to issue this year additional snow crab licences in the Atlantic provinces.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. Bob Kaplan (for the Minister of Industry, Trade and Commerce) moved that Bill C-17, to amend the Small Businesses Loans Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Kaplan (for Mr. Gray) moved that the bill be read the third time and do pass.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to participate briefly in the debate on third reading of Bill C-17, to amend the Small Businesses Loans Act. At the very beginning of my remarks, I want to apologize for the hon. Minister of State for Small Businesses (Mr. Lapointe) who had to go away. He is now in Fredericton to meet the representatives of the commission for the development of the capital region of New Brunswick and those of the chamber of commerce, while the parliamentary secretary (Mr. Ferguson) is on official duty in Toronto along with the minister responsible for the Canada Mortgage and Housing Corporation.

I feel however completely at ease, Mr. Speaker, in dealing with this bill, particularly as it is a piece of legislation in which I am very interested, as much in fact as in the bill to amend the Federal Business Development Bank Act to which I contributed last week, during the debate on second reading. This legislation comes under the responsibility of the Minister of Industry, Trade and Commerce (Mr. Gray) whose parliamentary secretary I am. Finally, I think small business is a very important sector of the Canadian economy; it employs a great many workers and provides a solid base for our economy.

Mr. Speaker, I looked at the contributions of my hon. colleagues in the debate on the second reading of this bill as well as their contributions in the standing committee and I want to thank them for their support for this measure, their constructive comments and the diligence with which they considered it so it could be brought back so rapidly to the House, and in view of the June 30 deadline, which is fast approaching, I hope third reading will go rather quickly.

As a general rule, the remarks by hon. members were most constructive and favourable to this bill which deals with the financing of small business and which is actually an effective,

low-cost measure, as the hon. member for Capilano (Mr. Huntington) pointed out in his remarks. Last year we had losses of only 0.42 per cent. This is a legislation that supports financial institutions and provides an incentive for small business.

The fact still remains that the minister wanted to register and receive favourably the suggestions made by hon. members. Of course, since they do not relate directly to this measure and it is urgent to endorse these changes rapidly, they will have to be considered another time. Most of the suggestions do not relate directly to this measure but rather the legislation itself or again other legislation dealing with small business. Hon. members' suggestions will have to be examined in the context of the review of the funding problems of small business which should be completed within two years and is being carried out in co-operation with the Economic Council of Canada and the bankers' association.

Mr. Speaker, those are two over-all reviews of the funding programs for small business and the difficulties facing businesses at this time.

[*English*]

A very valuable suggestion was made by the hon. member for Capilano (Mr. Huntington), the former minister responsible for small business, to ensure a broad range of input in the consideration of this examination of the whole problem of small business. The minister has committed himself to this suggestion and so have I. I hope that small business, the department and those who are involved in this review will not only receive the recommendations or suggestions of the traditional advisers, such as officials of the department, the banks, the Canadian Federation of Independent Business, but all those groups which have been involved in previous revisions of this legislation or policies that have been put forward in the past to help small business. I am sure that the suggestion of the hon. member for Capilano must include members of Parliament, and their input would be invaluable.

● (1230)

At the same time, many hon. members have spoken about the possibility of the act including working capital in small businesses. This is a complicated step but it is also a worth while one which could render great service to small business. This suggestion has been put forward by many hon. members who have contributed to this debate. Some have suggested that the amount of the loan be increased, but I would remind them that in 1977 the maximum amount was increased to $75,000. This has had an increasing effect on the total amount of loans made under the act.

The hon. member for Halton (Mr. Jelinek) also referred to the possibility of relating loans to patent acquisition. In this present era of high technology this is something that could be considered. He also referred to the possibility of increasing the maximum amount of the gross income provision to make companies eligible under the act. At the present time the maximum is $1.5 million. He suggested it could be increased to $2 million or $2.5 million and this, of course, would make more small businesses eligible. Hon. members might want to comment on this suggestion during the present debate.

Many other suggestions have been made and I hope all of them will be given very serious consideration during the comprehensive review of small business financing. It is imperative that this legislation receive third reading as quickly as possible as the present act expires on June 30. The ceiling of $600 million established by the act has probably been reached by this time, although I must say I have not checked on it this morning. I hope we can give this bill third reading today if possible.

[*Translation*]

Mr. Speaker, I suppose most hon. members are acquainted with the bill now under consideration which has just been reported from the standing committee without amendment. In short, the bill increases the maximum capacity of the legislation from $600 million to $675 million, as of July 1, 1977 to June 30, 1980 which will allow additional loans and make money available for other loans till June 30.

At the same time, the bill allows for a maximum increase in individual loans from $75,000 to $100,000 while the maximum amount of loans is increased to $850 million. In addition, the legislation is extended for two years. We know that usually such legislation is reviewed every three years. In the present case, the minister wanted it to be extended for two years only so that it would parallel as closely as possible the review undertaken by the department with the Economic Council of Canada and the Canadian Bankers' Association to consider the whole matter and the problems concerning the financing of small businesses. That review should be completed within two years.

There are two other points I consider rather important. First, the legislation goes back to where it belongs. It gives the responsibility back to the Minister of Industry, Trade and Commerce who has to answer for it, and at the same time it restates the fact that the Minister of Industry, Trade and Commerce, jointly with the Minister of Finance (Mr. MacEachen), will have to share responsibility for setting the interest rate. In my opinion, the fact that the implementation of this legislation comes under the Minister of Industry, Trade and Commerce is very significant because he is now the one who is doing a full review and preparing a comprehensive economic development policy for the country.

So, Mr. Speaker, this is a bill I commend to all hon. members, a non-ambiguous bill, an explicit bill which draws support from all hon. members and from small businesses, and an urgent bill, and I hope our deliberations will be brief enough to allow us to pass it today.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my comments will not take long as I hope to see this bill passed

today. There are a couple of matters that I should like to raise that I believe to be important, however.

The problem is that everyone in our society has a different definition of small business, and for a moment I should like to speak about very small businesses. Given the regulations which govern the making and guaranteeing of loans, it is difficult for many small businesses to find their way through the muddle.

For a lot of them, and for one in particular that I have in mind, it appears that if they can qualify for assistance them they do not really need it. So much is required by way of collateral and guarantee that it is virtually impossible for many very small businesses, particularly in the early stages of their endeavour, to take advantage of the program.

I should like to suggest that particular attention be paid in the comprehensive review of small businesses to the unique problems of the very small businessman—the one who may have only one or two employees and is in the process of developing the business. All the paper work and the time involved in taking advantage of a program such as this one or of the small business development bond—if and when it becomes available—will prevent a great many people from getting the money when they need it. From speaking to a number of small business people in my community, I know they regard all this red tape and paper work as a stumbling block to their efforts.

I hope the review will cover not only those high technology small businesses—which are really more of medium size—but that the role of the very, very small business will be recognized. Some of these employ only two or three people either full or part time but need small sums of money to expand or indeed to support them through a downturn in the economy such as we are now experiencing.

In the discussion of another act I pointed out that the majority of small business people, particularly in the retail business, depend upon a buoyant economy. Whatever action we take will be of little value to them unless they can convince those who make judgments about the potential of their business that the economy is sufficiently buoyant that they will be able to repay the loan. At the moment many small business people find it difficult to see a rosy picture of what the future holds and, consequently, it is difficult to justify the expense of maintaining their competitive position.

● (1240)

In addition, if we could see the general direction that the government intends to take with the small business development bond legislation, and if we could see in the much larger area the intention of the government with regard to renewing the purchasing power of the general population so that people can buy what the small businessman legitimately attempts to sell, then I think a lot of people in small business would feel much more comfortable about their future and their place in future economic development.

With respect to regulations, I ask that they be made simple and written in language that the average person can understand, to the extent that is possible. I ask that these regulations not be written for lawyers because once the small business person is given the documents he will then have to spend half of what he gets on obtaining a legal opinion as to whether or not he is entitled to what is offered. As the regulations are written, I ask that they be written in language that we all use. I ask the government to attempt to find a way so that the average, reasonably educated person will be able to pick them up, read them and be able to answer the questions. That has to be one of the biggest problems confronting the small business person.

Small business people get frustrated with legalese as well as with the interminable number of documents that have to be filled out. And what about the time taken away from their business? In most of the cases I am thinking about, time taken away from their business means that they have to find someone else to fill that time, because they are not managing the business, they are running the business. They are part of the business and they are there ten hours a day or more every day. Therefore, if we require that a great deal of time is taken away from small business people, then that is money lost and it does not help them one bit.

With those things in mind, I too would like to see the bill passed. I hope that it will be accepted by the money lending institutions in the way that it must. I hope that they will move swiftly so that anyone who is able to take advantage of the legislation will, in fact, be able to get that financial assistance in time to offset the difficulties that may confront them during this fiscal year.

Mr. Ron Huntington (Capilano): Mr. Speaker, I am quite fascinated at the quiet, very able articulation of the hon. member for Hamilton-Mountain (Mr. Deans), a member of the New Democratic Party who has just urged that third reading of this bill pass in a hurry and that the government get on with the implementation of the bill. I find the fascination of the New Democratic Party within the last year or two and within the provinces of Canada with the world of small business, which is really the world of the strong individual, strange. Since the New Democratic Party has found out that small business makes up some 66 per cent of the work force, I find its increasing interest is indeed strange outside of the political need for paying attention to that community.

The hon. member for Broadview-Greenwood (Mr. Rae) stood in the House today on a question of privilege and one of the NDP members spoke to the emphasis which they place on taxation against the wealth-creating sector and the wealth-creating individuals of the country. They want an egalitarian state and they want to collectivize us. Yet they pay this quiet, beautiful, magnificent attention to a bill that serves individuals and the small business community. I say to them that they are on both sides of the fence.

Mr. Deans: I disagree. If you listen and address yourself to the question before you—

Mr. Huntington: It waxes strange, Mr. Speaker, that their total attention these days is on the matter of taxation and on

the distribution of wealth. If they want to distribute wealth and do the right thing for those people at or below the poverty level, we will have to direct the attention of this House, and of all members of this House, to the creation of wealth. With the creation of wealth we will address the distribution problem.

I stand here and debate with the hon. member because I do not believe that we can address the distribution problems in the country by attacking wealth creation. The small and medium enterprise business sector is a wealth-creating sector of major importance to the quality of life in this country. That is the reason I wax strange on the comments made by the hon. member for Hamilton-Mountain.

On the other hand, last evening when we were dealing with Bill C-28, which is a bill to amend the Fisheries Improvement Loans Act, I was fascinated by the remarks made by, and I pay great compliment to, the hon. member for Comox-Powell River (Mr. Skelly), a member of the New Democratic Party. His address was eloquent, his sincerity was in place, he had a great grasp of the industry on the coast and of its needs, and I compliment him for his contribution to the debate on Bill C-28.

I want to return now to the subject of Bill C-17, third reading of which was introduced by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce, the hon. member for Beauharnois-Salaberry (Mr. Laniel). We have had a good debate on Bill C-17, and much of the debate on Bill C-20, which is to amend the Federal Business Development Bank Act, has overlapped it. We had a good discussion with the minister and his staff in committee. However, there are a few points that I think are pertinent to interject into third reading debate.

The parliamentary secretary paid compliment to a suggestion I made in that the debate and forum for inputs to the over-all financial review that we are talking about and anxiously waiting for are important. All of these bills, such as Bill C-28 and Bill C-17, are bills that amend different patchwork programs of need within the Canadian economy and community. These are going to get us into trouble. All we are doing is running after amendments to take care of the inflation component within our society and allow a measure of catch-up in these different programs.

The review which the minister has under way should take into effect all of these bills and give us an over-all program. As the hon. member for Edmonton West (Mr. Lambert) said in committee, we should project ahead for 25 years the financial needs of the Canadian economy rather than spending all of this time amending bills just to take care of the inflation component that has eroded the purchasing power and capital of the country. The review is important. In committee we were seeking to have that review opened up.

We can either go the way they have in the United States by putting in a small business act where we create a magnificent plethora of regulations, rules, administration, Senate and parliamentary committees, and we heap more and more regulations on to that wealth-creating community with very little activity. Or, we can perhaps start working toward and calling for a standing committee of the House of Commons for the small and medium enterprise business sector, where the advocacy role of the small business secretariat and the minister for small business can have a forum to discuss all of the legislation that comes into this House affecting positively or negatively that sector. That would strengthen immeasurably the advocacy role of the secretariat and the function of the minister, who represents the economic wealth-creating community in Canada.

At the moment we have a dedicated secretariat and we have a minister of state. But other ministers have more power to deliver the cookies and the goodies than the minister of state. He is really a eunuch within the delivery system. The small business community in Canada needs a forum in which its needs, aspirations and problems can be discussed. It needs a forum to protect it from the imposition of legislation coming down from other departments and ministries.

• (1250)

I suggest once again in this third reading debate that we give serious consideration to the creation of a standing committee of the House of Commons responsible for matters pertaining to the small and medium enterprise sector of Canada. It would be a vehicle that the Minister of State for Small Businesses (Mr. Lapointe) and the secretariat serving that minister of state could staff as the secretariat of that committee. I think we should strengthen the advocacy role and be an open part of deliberations such as the whole study of financial needs of that sector.

My colleague the hon. member for Edmonton West had a suggestion that is also worthy of consideration. The member of Parliament, you and I, Mr. Speaker, are not technicians in all aspects of expertise within the economic community or within the social community. We need a forum or vehicle whereby the experts of the country can deal one with the other and make reports. Those reports are very valuable to the members of the House of Commons who are representing the emotional level of their constituency in the over-all country of Canada.

The hon. member for Edmonton West said that we need a royal commission as the vehicle for involvement in that study. He and I are both afraid that that financial review in Canada is going to be limited to the experts within the civil service, the Canadian Bankers' Association, which is another body that is dealing in expertise in a narrow field in terms of society at large, and the Economic Council of Canada, all bodies of absolute experts. These experts could in a royal commission that is open to the public broaden the inputs and the audio-visual portion of those inputs so that, when the matter comes to a parliamentary committee or to parliamentarians who are not experts in any one specific field, we judge as a jury.

If we are going to make Parliament work, which we are going to have to do to build a better Canadian community and society, we have to start taking on more the jury function as members of Parliament and strengthen our standing committees so that members, representing the emotional level of the land, can meet the experts in those committees.

Maybe we are not equipped to handle the experts directly. Maybe we need to be able to staff ourselves so that the right questions can be asked and much of the time that is lost in our deliberations can be cut down. We could then have very valuable inputs to our record of proceedings.

The review is a very important one. It involves all of these amendments we are now passing, such as Bill C-28 and Bill C-17. All of these are taking care of inflation. What we need is a vehicle whereby this automatically takes place so that we know what our needs are, that we have a vision of 25 years down the road in terms of our economy, the financial management of our monetary system and our fiscal system serving that community.

It was requested that working capital be part of the Small Businesses Loans Act. In committee the minister pointed out that was probably too complicated a subject and had a degree of risk that was not in the present guarantee structure of the Small Businesses Loans Act. I will buy that, but working capital and the need to increase the working capital of the small and medium enterprise sector of Canada is an aspect that needs attention.

If we are going to move on wealth creation and the creation of stable jobs, we are going to have to assess the degree of risk that is involved in assisting the community with venture capital, working capital and the guarantees that we have in our program. Part of this review, and I come back to it, is that we should start to take a really solid, hard look at what we are getting into when we say we are going to guarantee this and guarantee that.

We know in the Small Businesses Loans Act that guarantees are only costing 0.42 per cent of the amount outstanding. That might be a $3 million cost to the treasury; I have not done the arithmetic on that. We also learned in committee that there is no risk in a Small Businesses Loans Act guaranteed loan to a large lending institution. It is pooled up and there is no risk to them. Any loss is in a pool and they pretty well have a 100 per cent guarantee of lending under this act.

It is not just guarantees here, guarantees in the fishing sector, and so on and so forth. We are now into guaranteeing $200 million in loans for companies like Chrysler. True enough, there is a political need and demand for attention in that area, but have we really got the implications of guarantees figured out? No, sir, we have not. We create these contingent liabilities and we do not know what burden we are creating for tomorrow's taxpayer, our children today. All that is a very important aspect of this review.

Guarantees have contingent liabilities to the balance sheet of Canada, to the Consolidated Revenue Fund and to the cash flow. If something like a $200 million guarantee to an organization like Chrysler fails, what will that affect in the way of programs and the delivery of programs into the future? Everybody in this House knows that about 80 per cent of our cash flow is delivering statutory programs. It is very difficult to cut back and retrench out of the remaining 20 per cent of discretionary spending that we have. Where is that pressure coming from? What reserves are we setting aside for these guarantees? If we are going to be responsible members and a responsible House, we should start calling for an immediate review, probably by experts. It should be part of a royal commission examining this whole area of community need.

There is little further I want to say on this bill. We want the bill to go through. We want to assure the House that we consider it only temporary in nature. It is only more patchwork on the quilt. We would like to examine the design of the quilt. We would like to bring forward the thrust, emphasis and visibility on the review that the Minister of State for Small Businesses and the parliamentary secretary spoke about during the debates on the FBDB bill and on the Small Businesses Loans Act bill. If this House is to function and serve the wealth-creating community, it is essential that the design of that economic quilt receive our serious consideration and attention.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Blaker): For the convenience of members, I will ask the table to indicate the order of business for two o'clock and then call it one o'clock.

* * *

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

The House proceeded to the consideration of Bill C-27, to amend the Farm Improvement Loans Act, as reported (without amendment) from the Standing Committee on Agriculture.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When we rose at one o'clock, the House was about to give consideration to Bill C-27.

* * *

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

Hon. Bob Kaplan (for the Minister of Agriculture) moved that Bill C-27, to amend the Farm Improvement Loans Act, as

reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. Kaplan (for the Minister of Agriculture) moved that the bill be read the third time and do pass.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to say a few words during the third reading debate of this bill and ask hon. members to support Bill C-27, to amend the Farm Improvement Loans Act.

As we all know, this act expires on June 30 and we would deprive Canadian farmers of an important and well-appreciated service if we did not pass this amendment today. Mr. Speaker, the bill aims at providing for Canadian farmers better access to short and medium-term credit to improve and develop their business and to improve their living conditions.

Today, we are asking the House to re-establish this act for a period of three years. Since its introduction in 1945, the Farm Improvement Loans Act has been extended several times. In the present situation, it is very important to provide better credit for our businesses, especially in the agricultural sector, and we are also proposing to increase the maximum amount of the loans outstanding to a farmer by increasing from $75,000 to $100,000 the amount of loans granted for land condition improvements. Mr. Speaker, the second amendment simply takes into account the increasing costs of agricultural production, such as machinery, fuel, fertilizes, pesticides, labour and so on.

The Farm Improvement Loans Act enables the Minister of Agriculture (Mr. Whelan) to guarantee term loans granted to farmers by chartered banks and other designated lenders, such as credit unions and caisses populaires, for various farm improvements which include, of course, the purchase of farm implements, machinery and material, land clearing and plowing, the installation of irrigation systems, the construction or repair of fences, drainage works, the building, repair or conversion of farm buildings, the purchase of cattle or additional land and major repairs to or the restoration of machinery and tools.

At the present time, the federal government is greatly interested in farm financing through two major instruments, the Farm Credit Corporation which deals with long-term mortgage financing under the Farm Credit Act and which grants medium-term loans to farm syndicates under the provisions of the Farm Syndicates Credit Act, and the Farm Improvement Loans Act, which protects designated lenders against any loss incurred because of medium-term loans.

Under the act, Mr. Speaker, the interest rate that lending institutions can charge farmers cannot exceed their prime rate plus one per cent. May I recall that these institutions must assure and also ensure the solvency of borrowers, as in the case of any other type of loan. In view of this, and since agriculture is one of the areas where investments are safest, the Farm Improvement Loans Act is not very costly to the Canadian government. Indeed, in 1977 the cost was less than $190,000 to the government, increasing to $289,000 in 1978 and declining to $222,000 last year. This is very little compared to the total loans extended during the same years $132 million in 1977, $225 million in 1978 and $262 million last year. These figures show the real cost to the government of the huge investments made possible by the act. I am thinking of the increased productivity made possible to farming by these investments, and the benefits for the Canadian economy as a whole. Mr. Speaker, all these points were made in support of amendments when the legislation was introduced, again on second reading and when it was discussed by the Standing Committee on Agriculture. The points made against the bill seem rather minuscule and weak when one looks at the numerous benefits of Bill C-27 for Canadian agriculture. Mr. Speaker, during the next decade, Canadian farmers will have an increasing need of short and long-term farm financing, and I feel the federal government has a duty, through the Department of Agriculture, to implement acts promoting the development and improvement of our Canadian agriculture.

During the coming decade, certainly there will be much more emphasis on the food industry than any other, even energy. So many countries are still underfed, while in Canada we have the land, the farming potential and the skilled farmers needed. Bill C-27 is one piece of the legislation under which they can get short and long-term financing. I therefore urge every member to support the amendments to ensure the prosperity of our agriculture and economy, and in turn the well-being of all farmers throughout Canada.

• (1410)

[*English*]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I want to take a moment to indicate that the official opposition is willing and prepared to see this bill passed as quickly as possible and become the law of the land.

I would only add that during the second reading debate four of our speakers made some very appropriate comments on the bill, but they were generally supportive of the bill. It is my understanding that the bill cleared the standing committee yesterday morning, and now we would be quite happy to see it passed by the House as quickly as possible.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, we too will not delay the passage of this bill.

Some hon. Members: Hear, hear!

Mr. Althouse: I would like to make a couple of brief comments about the bill, about the procedure and some of the discussions which went on in committee, so that the House will be aware of what took place there.

It was my position in committee that the current Farm Improvement Loans Act should have been amended. As the parliamentary secretary has pointed out, the act is available to farmers for the purchase of farm machinery, for the purchase of breeding stock, for the purchase of building and for the purchase of land on a medium-term basis.

Over the course of the life of the Farm Improvement Loans Act, it has been reintroduced at three year intervals and various amendments and improvements have been made to it. The original purpose of the act was to provide loans only for the purchase of farm machinery, but then other items were added. It was only in the last two or three amendments to the act that land was included under the act.

There was a time when the act was amended to allow for major repairs to farm machinery, and now we can also make major repairs to farm buildings. So the act is not just used for the purchase of capital goods by farmers but is also being used, to some extent, for the refurbishing of farms, and it now comes very close to supplying a form of operating credit. If your tractor breaks down and you have a large bill to pay, you can take out a farm improvement loan to have it repaired. Similarly, you can get the loan if a windstorm hits a building.

The amendment which I proposed was ruled out of order as one for an opposition member to present. It was considered to be one that the government should more properly introduce. I am a little disappointed that the government did not see fit to do so. It would not have cost any more by way of increasing the amount of guarantees beyond the budget which was already allocated. We were told in committee that the current guarantees are available on a three-year period up to a limit of $1,550 million. We were also told that that limit had never been approached. In the last three-year period we were told that the maximum reached was a ceiling of about $750 million. So we did not quite use half of the allotted funds that were already there. It would not have required an additional amount of global guarantees, so that the amendment would have probably fitted within the funding that the government had indicated it was prepared to allocate.

The amendment would have allowed, in addition to repairs and improvements to farm machinery and buildings, the repair and improvement, if you like, of the farmer's soil and of his breeding stock by way of artificial insemination services, the purchase of fertilizer, herbicides, seed and nursery stock—the kind of things which are very important for the improvement of farms.

● (1420)

In the general mind of the public, I think there is a conception that, because we are dealing with something like farm land, we are dealing with a so-called renewable resource. But if we do not have any funds or do not make certain that there are inputs into that land, the so-called renewable resource will soon die off. I am aware of some soil studies on the prairies which were done by Dr. Rennie of the University of Saskatchewan. They show that the fertility of prairie soils on the average is now approximately half what it was only 60 or 70 years ago. Without some firm programs for farms and assistance for financing such programs to rotate crops and use fertilizers judiciously, the results of the renewable resource to the economy of the country will gradually wind down.

It is important that these loans be allowed for some of the operating expenses incurred by farmers each year, particularly in years such as the one we have just come through where interest rates were quite high and some regions of the country suffered. I am thinking of the potato areas in the maritimes which have suffered three bad marketing years and were having great difficulty financing the seeding of the current crop. We think such guarantees would allow the banks to make further funding available to farmers for seed and fertilizer.

That was the rationale behind the proposal. We are sorry the government did not choose to include it in the amendments. However, we were pleased to hear from the director of the Farm Improvement Loans Act that a study of the whole farm credit field will be put in place. We were not told how it was to be conducted, whether it would be a public inquiry. I ask the parliamentary secretary to use his influence to see that farm groups and farmers have some input into such an inquiry. It is high time that the Farm Improvement Loans Act, the Farm Credit Corporation Act and the acts where government has involved itself in the supply of farm credit be reviewed, updated and become more pertinent to the real needs of today's agriculture.

Motion agreed to and bill read the third time and passed.

* * *

[*Translation*]

SAFE CONTAINERS CONVENTION ACT

MEASURE TO IMPLEMENT INTERNATIONAL CONVENTION

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-21, to implement the International Convention for Safe Containers, as reported (with amendments) from the Standing Committee on Transport, be concurred in.

Motion agreed to.

Mr. Pepin moved that the bill be read the third time and do pass.

[*English*]

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to thank the members of the committee that reviewed this bill. It has been brought to the House and almost to completion on four occasions. This is the fourth time it has come before the House. Through this process, it has been duly refined and all the objections seem to have been met. I had indication from both opposition parties that they concurred in this bill. It will bring about the possibility of ratifying the international convention that should be concluded before September, 1982.

Until this bill is passed, we do not have a vehicle to ratify that international convention. The bill will facilitate the transport of Canadian containerized cargo through application in Canada of internationally accepted standards of container safety. Passage of the bill will be received positively by the industry that will be directly affected by the provisions of the convention. I would urge all members of the House to support the bill.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, one area that has concerned me for some time is relatively new in terms of hazardous cargo. Of late we have been seeing more and more in the press and in other places about the problems which are now confronting many municipalities regarding liquid industrial waste, the mixing of liquid industrial waste, and its transportation. I have noted with some alarm that the containers presently used both for storage and transportation really were not designed for many of the liquids that are mixed together and therefore become something other than what they were in the first place.

I should like to suggest that in the processes we set up for inspection we pay particular attention to that area, both in terms of storage and transportation. I am sure we have all read of the recent Love Canal incident in Buffalo, New York, where a lack of knowledge and a consequent lack of concern resulted in the dumping of hazardous materials which turned out to be injurious to health. I would not want us to use the practice that is presently carried out of simple tanker carriers for transporting liquid industrial waste which heretofore were used for any other number of less noxious, less hazardous substances.

When the minister and the ministry undertake a review and establish the standards of the convention, they must pay particular attention to that extremely difficult, somewhat new and very hazardous area. They must ensure that we do not have the kinds of things happening in this country which have been happening for the last number of years, where carriers simply have allowed, either inadvertently or sometimes, I suspect, on purpose, the leakage of waste to become a hazard all over the countryside.

Perhaps a nod from the minister would either verify or deny my understanding that this legislation is not retroactive and therefore not applicable to existing carriers. Is it or is it not retroactive?

● (1430)

Mr. Bockstael: It is not retroactive.

Mr. Deans: It is not retroactive; that is what I thought. Therefore, I would like to suggest that, because this is an extremely difficult area and will be more and more the subject of debate both here and in other houses across the country, we take a serious look at the methods used for transporting liquid industrial wastes at this time. We should attempt to find a way to bring into conformity with this legislation, which is intended to protect the public, guarantees that these carriers of liquid industrial wastes are appropriately inspected, and make sure that the vehicles used are up to the standards of the convention over a period of time. As a result, we will not have people who are presently in the business circumventing the protection we hope to provide by using vehicles and tankers that were manufactured prior to the implementation of this act, thereby continuing a practice that has been extremely hazardous in a number of areas across the country.

As we review how this legislation will be applied, we should look carefully at the methods of storing these selfsame wastes. For most of us there is a degree of apprehension and anxiety that develops when we are not fully aware of what happens when certain industrial wastes, now being developed on a day by day basis for industrial purposes, react on being subsequently mixed within holding tanks; because what can emerge can be an entirely different substance with a considerably greater impact.

I would, therefore, say to the minister that with the passage of this bill we are taking some steps forward. There is yet a vast area of concern that has not been dealt with in this bill, and that ought to be addressed by the House of Commons in the very near future.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to speak very briefly on this bill. We had an interesting discussion in the committee earlier this week on Bill C-21, at which time I raised the issue of the transportation of chemicals on passenger aircraft. The parliamentary secretary and his officials informed members of the committee that cabin crews have access to cargoes so that if they detect fumes or smoke coming from the cargo they can check it. However, we were not given a satisfactory explanation of how the crew can gain access to cargo holds, and the officials undertook to obtain more information.

Would the minister also have his officials determine how Air Canada, CP Air or any other airline in Canada can determine what chemicals are actually in containers? There have been situations in the United States and Canada where shippers have put wrong labels on containers, for whatever reason—perhaps to speed up the shipment or get a shipment on a passenger jet instead of a cargo aircraft. Certain chemicals can be shipped by cargo planes only, while other less dangerous substances can be shipped on passenger jets. How do these people determine what actually is in these containers? Do they open a certain number of them to see that the content is that which in fact is on the label, or do they go strictly by what it says on the label?

I ask this because a number of years ago there was a fatal crash of a Pan American World Airways cargo jet at Boston. The aircraft was carrying half a dozen different chemicals, some of which leaked into the sawdust in the box which caught

fire. The aircraft crashed killing the three crew members. The unfortunate thing in this accident was that while the crew was trying to track down where the smoke was coming from, the aircraft was flying over a series of airports, and had the aircraft landed at the first airport at the first sign of smoke probably the plane and the crew would have been saved. One can see how important it is that we know what is contained in the shipments, particularly when chemicals are involved.

I would ask the minister to have his officials determine whether a certain number of packages are opened to check the contents or to determine that the chemical contained therein conforms with what is on the label, and will his officials also find out just how the crews of these aircraft can gain access to the cargo hold on passenger jet aircraft?

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to say a word or two about this proposed dangerous products act. One of the main areas with which I am concerned has regard to interprovincial traffic when dangerous products are being hauled from one province to another. We must consider this aspect very carefully as it is of concern to many provincial governments and other people, particularly in view of the fact that the regulations in each province may differ. This bill should establish responsibility in respect of dangerous products moving from one province to another.

One radical change in the bill is its departure from the normal approach in respect of the establishment of responsibility after proof of negligence. If negligence is proven, then responsibility should certainly be established. Responsibility should not simply be taken for granted because there was negligence on the part of certain individuals.

Another item that should be carefully considered by the committee is the method of haulage by trucks. Truck drivers have to assume a great deal of responsibility when they go out to pick up their loads. In many cases it is virtually impossible for those drivers to open every package to determine what they contain. For this reason it is a little unfair to hold the truck driver responsible for everything he is hauling on his truck. How we can overcome this difficulty I do not know. If everyone was absolutely honest the difficulty would not exist. However, when a truck is carrying a quarter load for one shipper, and eighth load for another, and a third for another, it is virtually impossible for the trucker to know what he is actually carrying. Many of these companies must pick up on that basis in order to have a full load moving across the country. The truck driver does not pack the goods or open the packages, and to do so would be an impossible job.

I hope this matter can be discussed in some detail at the committee stage in order that we can avoid placing an unfair burden on the many truck drivers who are excellent workmen, but who may unknowingly be hauling something dangerous. I know there is a legal maxim that ignorance of the law is no excuse, but, by the same token, there has to be some fairness exercised in placing the responsibility.

Another matter of importance is the use of safety devices. This is a subject that came to light in the investigation of the Mississauga mishap. There are safety devices that indicate what is happening inside a wheel, an axle and so on. Truckers must, under provincial laws, have their trucks checked regularly. There should be a similar requirement for trains to make sure that railways are not unduly putting the lives of many people at risk.

This bill does not cover another aspect which I think is very relevant, and that is measures to avoid accidents in the first place. What I have in mind is what could be done on railway lines during relocation. I do not think any reasonable person would suggest that we embark on a multibillion dollar program to replace every railway line passing through a populated centre. The board of transport commissioners should take the responsibility of not permitting the rebuilding of railway lines in areas where they could be a hazard. What is happening now in many centres is that people want the lines moved, and that is when it should be put in a safe place away from populated areas. Then if an explosion occurs nobody will be killed.

• (1440)

I have referred in this House before to the illustration of what happened with the CPR in the town of Lake Louise. The people there strongly objected to the twinning of a rail line within that village. The CPR could have built the other line in a safer place away from the village, but as it is now, if there is a mishap in Lake Louise during the summer, when the town is full of tourists, thousands of people could be hurt. This line could have been located outside the town at very little extra expense. That expense would be nothing compared to the costs that would be incurred if there were a mishap in the centre of the village and they then had to relocate the line.

A similar type of mishap occurred in Stirling about three or four years ago, but we were lucky there, as we were in Mississauga. Through the tremendous efforts of the local citizens, RCMP, firemen and so on everyone was moved and no lives were lost. One of these days, if we do not begin watching carefully where these lines are placed, we will not be so lucky and a number of people will be hurt. Then there will be a real holler. I would much rather holler now. If the board of transport commissioners, the group which controls matters concerning rail lines, would use every day, common horse sense and not say yes to everything which the railways ask for, it would help us avoid many of these problems right now.

Not only myself but a number of other people appealed to the board of transport commissioners not to allow the twinning of that CPR line in Lake Louise. Although the line was essential, we did not want it to go through the village. But our pleas fell on deaf ears. To my notion, there was no proper reason given by the board as to why it agreed to the recommendations of the CPR. If there is a mishap and someone is killed, the blood will be squarely on the skirts of the board of transport commissioners which could have ordered that the other, safer route be taken.

This is something which is happening all across the country. I would plead with the Minister of Transport (Mr. Pepin) to use whatever authority he has with the board of transport commissioners to ensure that it will try to prevent accidents from occurring by foreseeing the possible causes. Again, I emphasize that nobody is asking for the relocation of every rail line across this country, but just that when these lines are relocated they be put in a safe place where any errors will not endanger human life.

There are some other points with regard to this bill which I feel are very important. I hope to raise them before the committee if at all possible.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, it is a great pleasure for me to be talking on this bill today and on the other bill which we are currently dealing with in committee, the transportation of dangerous goods bill. Coming as I do from Mississauga, these are topics which affect us and with which we have had some experience. I am quite interested in the passage of these bills and very encouraged by their provisions.

I have had the opportunity of listening to the officials of the department in committee. This particular bill deals with the standards concerning containers as they affect the transport of goods across international boundaries. I am pleased that we have been able to increase the quality of our standards through the ratification of this international convention.

In Mississauga we found that the containers themselves were a vital part of the accident. Double-walled train cars did not explode, despite the fact that they were subject to enormous stress and enormous heat in that accident.

It would probably help hon. members present if they knew exactly what went on in that accident. As the train began to go off the track, an explosion occurred instantaneously. Within a minute, a second explosion occurred sending a ball of fire 40 storeys high. A similar explosion occurred within an hour. The end of one of the train cars blew off and the car travelled along the ground 2,200 feet, shooting fire out of its back. Throughout the following week as the propane and chlorine burned, one tank car sat in the middle of the debris and the heat without exploding or leaking. At the end of the week a truck emptied out the liquid inside the car, and the fire department determined that it was a double-walled tanker car. Other double-walled cars experienced fractures and slow leaks, but none exploded.

I was most encouraged to hear from the minister's officials while in committee that railroads are now phasing in the use of this type of car. I am further encouraged by the fact that the railroads, truck carriers and air carriers will be forced to face increased responsibility for inspection. They will be required to justify much more firmly their behaviour when such accidents occur.

I am concerned over the fact that the Canadian Pacific Railway does not want to take on that kind of responsibility, as was stated by its representatives before the Grange inquiry in Mississauga. Basically, the railroad is running the same train through Mississauga every night as it was running last fall. The railroad's officials have said repeatedly to Mr. Justice Grange that they have not changed their procedures and that they do not intend to do so.

I asked the fire chief of Mississauga about the ramifications of the decision of CPR. He indicated that any individual living within 2,500 feet of either side of the CPR line was vulnerable in the event of another accident. In Mississauga 40,000 people live that close to that track. I encourage the CPR to take its responsibilities more seriously and to begin to introduce some fundamental and inexpensive safety procedures in the operations of its trains. I refer to such procedures as hot-box detectors, rear view mirrors and slower inspection procedures.

I am encouraged to see in this new legislation that more responsibility is being placed on the carrier in the area of inspection. I hope that the railroad in Mississauga will not wait until this legislation is passed before it takes up its responsibility.

Those are the points which I wanted to raise with regard to this legislation. We were very fortunate in Mississauga. We went through not one miracle but two miracles. The first miracle happened in the first minute of the accident when the train went off the track into an empty field. There were only industrial buildings within 2,500 feet of that field. There were no homes nor congested construction going on. There were plenty of fire hydrants and open roads for access by the rescrue and prevention equipment. That was the first miracle.

The second miracle was that out of the 250,000 people evacuated, nobody was hurt. The crime rate in the area actually dropped. We owe a great deal to many local officials, such as the mayor, the fire department and the police department, for their diligent efforts during that week. Had they been armed with some of the provisions in the new regulations under this legislation, they would have been able to perform their duties even more easily.

● (1450)

Some hon. Members: Hear, hear!

Motion agreed to and bill read the third time and passed.

Mr. Collenette: On a point of order, Mr. Speaker, I am not sure what the clerk said and I am sorry that there is some confusion this afternoon. All hon. members have co-operated and now we are desperately trying to find out what will be the next item of business before four o'clock. It was our intention to go on with Bill S-6, to amend the Two-Price Wheat Act. I have been trying to locate the former postmaster general so that we could deal with Bill S-4. I do not know the propriety of asking for a couple of moments' grace in order to speak to him. Perhaps the hon. member for Winnipeg North Centre would comment on the propriety of this. If we do move to Bill S-4 I believe that there may be a disposition to pass it. We could then move to Bill S-6 and that would take us to four o'clock.

Mr. Knowles: Mr. Speaker, rather than commenting on the proprieties, may I comment on the probabilities. If the hon.

member for Vancouver South were here I think we could proceed with Bill S-4. I also suspect that it would take only ten or 15 minutes to deal with that bill. Perhaps we could proceed with Bill S-6 now and adjourn it at 3.45 p.m. so that Bill S-4 could be dealt with this afternoon. It is a bad bill but it has to be considered.

Mr. Collenette: Mr. Speaker, as usual the hon. member for Winnipeg North Centre gets us out of hot water. I thank him very much for that suggestion.

I understand there is no disposition to let Bill S-6 go through today. If we could proceed with it now, then we could halt debate on second reading at 3.45, immediately dispose of Bill S-4 through all stages, then go on to private members' hour. I wonder if that is agreeable to the House?

The Acting Speaker (Mr. Blaker): Order, please. It is moved by the parliamentary secretary to the President of the Privy Council that the next order of business will be Bill S-6, that debate will cease on Bill S-6 at 3.45 p.m.—

Mr. Knowles: That the debate be adjourned.

The Acting Speaker (Mr. Blaker): I apologize—that the debate will be adjourned, whereupon Bill S-4 will be taken under consideration. Is that agreeable?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

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TWO-PRICE WHEAT ACT

MEASURE TO AMEND

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, as I was not aware this bill was coming up so soon I had to put a few notes together rather hastily.

This is a matter of concern to farmers in western Canada. The act was repealed some time ago, although it is still on the books. I suppose, therefore, that if a farmer really wanted to contest it in the courts he would have a good basis for doing so.

The basic purpose of the measure was to establish two prices for wheat. If the price was below $5 per bushel the government would pay a subsidy to bring the price up to $5 per bushel for red wheat. In contrast, millers would pay $3.25. This would ensure consumers in this country of a reasonable price for baked goods and bread.

In November, 1978, the Liberal government of that day decided not to pay the subsidy any longer but the act was not repealed. Subsequent governments agreed that there should be two-price wheat and there has been a disposition to bring in new regulations to set the limits at $5 and $7 per bushel under the Wheat Board Act.

The only problem we see is that this bill will not be proclaimed until August 1 this year. In effect, the government proposes to write off the last crop year. Consequently, farmers will not have the advantage of the maximum and minimum for two-price wheat.

We are also concerned about the flexibility of these prices. Most western farmers believe that they have been subsidizing the consumers of this nation for a long time, as the world price of wheat has been well above the maximum set in the old bill. As we all know, farmers are not in a position to subsidize consumers. Because of the high cost of production and the price they are paid for grains, they are having trouble balancing their books. For these reasons, many western producers of bread wheat have been very concerned about the limits established in that bill.

The new limits were set out in a press release issued by the Minister of Agriculture (Mr. Whelan). There is no problem with the lower limit as it appears that wheat is selling today at approximately $5.50 per bushel. The price has risen above the upper limit, however, which really results in the farmers paying a subsidy to consumers. Our concern, therefore, is not with the lower limit established by the Minister of Agriculture, but with the upper limit. We would have more confidence in the bill if there was some flexibility in the upper limit.

I realize that the bill provides some ability to be flexible in the upper limit from time to time, but governments are notoriously slow in dealing with flexibility.

What this bill will do, in effect, is to make legal something that has been going on for some time. Basically, this party has no difficulty with that part of it. We have two problems with the bill which have already been put on record. When the bill moves to committee we would like to deal with the problem of missing the subsidy for a crop year. We would also like to deal with the upper limit and ensure some flexibility.

The price of wheat must be thoroughly discussed by the government and the leaders of farm communities in the country. For some time I have felt that there should be a minimum price for wheat on the international market. This has been recognized upon occasion and ignored at other times. Last summer I spoke with my American counterparts in Calgary and they were open to discussion being resumed in this area. I think part of that has been because many cartels have been established in this world respecting certain commodities. Canada and the United States probably ship in the neighbourhood of 70 per cent of the world's wheat to other countries. Canada and the United States should get together to establish a floor price for wheat below which we would not sell. That should be based on the cost of production plus what is considered a reasonable profit for farmers so that farmers can have a standard of living acceptable in this nation. That topic was discussed again just last weekend at a recent Canada-U.S. meeting in San Diego.

● (1500)

I understand that there is disposition among wheat producers who were at that meeting and our members of Parliament to get together in the next month and a half, and as members of a House of Commons discuss whether there is a possibility of coming to some agreement. We could then take it to our ministers and they could take it to their administration in the United States.

For many years over the past decade we have been selling grains in the international market below the cost of production to farmers. Farmers have been living on such things as depreciation, good research that our agricultural research stations are capable of putting out, and tremendous economies within their own farms and businesses. But this cannot go on forever. Farms are growing larger and costs of production are rising very rapidly in western Canada. It is becoming more and more difficult for farms of any size to continue to sell their products below the cost of production.

When I looked at my fertilizer bill this year, I was astonished at the increase in price. Because of the difference in the Canadian and American dollar, the standard inflation costs of employment in the manufacturing plants, it is becoming virtually impossible for small farmers now to re-equip themselves to go on into the 1980s and 1990s with the present price of grain. New equipment is expensive.

About three years ago I did a study. I compared the price of grain with the price of grain in the 1930s and 1940s. If one bases the dollar at the 1965 level, we find that farmers are really getting less for their wheat and barley today by quite a bit than they were at that time based on costs of production. The only way they have been able to survive is because tens of thousands have been driven off the land. Farms have become larger, more efficient, and farmers have used the basis of chemicals and fertilizers to increase production per acre in order to stay alive. I am not sure how much longer that situation can go on. If we continue on with our present policies we will continue to drive more farmers off their lands. Eventually we will have very large integrated units producing the food for this nation. I can assure the minister that the price will go up then because farmers will not continue to produce below the cost of production, as many of them have done in the past.

It is imperative for us to attempt again to negotiate with the U.S. first. Hopefully we can then later on bring into the discussions Argentina and Australia to attempt to establish a price below which no country would sell. That price would be based on costs of production.

No farmer is asking that we use this as a cartel to rip off other nations. All we are saying is that we want a fair price for our labour and for the costs of producing food in this nation. What this bill is doing, and has been doing for a long time, is subsidizing the consumer in Canada for cheap red wheat. We should draw our attention to other markets as well.

Mr. Pepin: It does both. It protects both the producer and the consumer.

Mr. Schellenberger: If we cannot work out this kind of an agreement with other countries, then surely we have an obligation in this country to set a price two or three months before the crop year, based on the cost of production that would, in effect, allow our producers to make the proper decisions about the crops they should grow. We are capable of doing this. We have found this year that the wheat board is running out of barley to meet its obligations under the contracts it has sold because the right signals were not given to our farmers a year or two ago. In fact, we gave them wrong signals. We put a quota on the off board grain which scared farmers away from producing feed grains.

Now we are having great difficulty based on the price that the wheat board sold that grain, and based on those quotas that were established, in getting feed barley into the wheat board elevators in order that it can meet its contracts. The minister in charge of the wheat board should seriously look for an arrangement, and if it is not possible to look at the international market, to look, as they have done in the United States, at setting a minimum price before a farmer makes his decision to seed his crop. Then the wheat board can give indications to farmers about what crop it believes it can sell in the international market. If the price is established at a reasonable level, then the farmer will make his decision based on that price to grow a certain amount of those grains so that the wheat board can meet its obligations. Then we will not have, as we have now, farmers caught with quotas that are open—and grain, such as utility wheats and rapeseeds in their bins—and no barley to deliver based on that open quota.

Those are a few of the remarks I wanted to make on Bill S-6, the Two-Price Wheat Act. I hope the minister will take into consideration our two concerns with the bill, that of inflexibility in the upper limit, and the fact that in repealing this act we are, in effect, doing away with the subsidy to farmers for one year, and as a consequence farmers will be subsidizing consumers for that year.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it has been the government's policy throughout the 1970s that a minimum price be maintained to producers of wheat for domestic human consumption at a reasonable level. This minimum price has been raised periodically as average market prices and costs of production increased. The price charged to domestic millers in 1969 was fixed at $1.95 and one-half cent per bushel which was raised to $3 per bushel in 1972. On September 12, 1973, it was again increased to $3.25 per bushel. During 1977 to 1978 the government made supplementary payments to producers to support domestic producer returns at $3.55 a bushel. In the fall of 1978 the minimum price was set at the current level of $4 per bushel.

In 1973 the government combined the fixed price for producers with a consumer subsidy payable to producers when export wheat prices were above $3.25 a bushel. Authority for the payments under this program was provided by the Two-Price Wheat Act. A maximum subsidy of $1.75 per bushel was

established which, in turn, set a maximum domestic price of $5 per bushel to producers. In the case of durum wheat, the domestic price was allowed to vary between $3.25 and $5.75 per bushel, and the subsidy was payable between $5.75 and $7.50 per bushel.

Under these subsidy arrangements, the government made payments totalling $396 million between 1973 and 1978 to the benefit of consumers. In the fall of 1978, as one of a number of measures designed to restrain government expenditures, the government decided to terminate subsidy payments under the Two-Price Wheat Act. This action was designed to save the government $200 million up to the end of this crop year.

At the same time a new domestic pricing scheme was introduced by establishing, through regulations under the Canadian Wheat Board Act, a minimum price of $4 and a maximum price of $5 for wheat sold for human consumption. The minimum price for durum was also raised to $4 per bushel, but the maximum was left at $7.50 per bushel. This action continued to provide a minimum price for the benefit of producers and to protect consumers against wheat prices rising above $5 a bushel or durum prices rising above $7.50 per bushel. In this respect the maximum domestic wheat price has remained at $5 a bushel since 1973, although average market prices have been significantly higher throughout this crop year.

● (1510)

The purpose of Bill S-6 is to remove any obligation for the government to pay the subsidy in the light of the changes made in the domestic pricing system. Consumers have been paying market prices up to a maximum of $5 a bushel. This has resulted in some increase in bread prices, although a number of other cost items have also contributed to the price rise. It is estimated that the impact on the consumer price index of the change in wheat prices was an increase of 0.04 per cent, while the food component of the index is estimated to have increased by 0.1 per cent during the three months following removal of the subsidy in 1978.

The Two-Price Wheat Act, and the current domestic wheat pricing scheme, apply up to the end of the current crop year. The government has announced a new policy to be implemented for the next crop year. It was announced in a bulletin, and I quote:

> The new minimum and maximum prices for Canadian wheat sold for domestic human consumption will be $5 and $7 per bushel, basis No. 1 Canada Western Red Spring Wheat at Thunder Bay (i.e. a range between $183.72 and $257.21 per tonne).

I would point out to hon. members that the Two-Price Wheat Act came into force in July, 1974. It is to be repealed the earlier of the date to be fixed by proclamation or July 31, 1980. It is due for repeal July 31 this year. The purpose of Bill S-6 to bring into line what has actually been the practice throughout the years. I urge hon. members to support this bill.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the amendment to the Two-Price Wheat Act before us today will prompt a lot of debate and discussion in the farm community because we have just gone through a year when there was a considerable amount of subsidization by farmers. At one point farmers were being asked to contribute in excess of $1 million a day because the ceiling has been fixed.

The original intent of the Two-Price Wheat Act probably came out of arguments and discussions in the middle and late forties when the Government of Canada under Mackenzie King and later Louis St. Laurent made agreements with the government of Great Britain to provide wheat at guaranteed prices.

Those guarantees were not lived up to by either the British or the Government of Canada, which had made the agreement. This prompted farmers to ask for some restitution. After four or five years' debate, from statements having been made by various ministers of the day it became clear there was no excuse for the farmers not being paid a higher than world price for bread wheats consumed in Canada. It was argued that a great many other industries in this country were subsidized through tariffs. They are protected from competition outside our borders and cheap goods coming in. It was thought that a similar kind of protection should apply to domestically produced grains in the higher priced domestic market.

It was argued that at least the cost of production should be recovered for grains produced in Canada. It was realized that with the amount of exports and the size of the Canadian economy at the time, it was unrealistic to assist to the full cost of production. In most years those grains amounted to less than 10 per cent, and it was felt there should be a guaranteed cost of production.

It was a long time before that kind of act was introduced. As is always the case in politics, from the moment of conception until the moment of birth of the act, a great many changes had taken place. Instead of having a guaranteed cost of production for those grains produced for consumption within our boundaries, we had a floor price and a ceiling with a range that prices could fluctuate within. If the price on the world market dropped below the floor, the farmers were guaranteed the floor price for milling wheats in this country.

There was some protection for consumers in the proposal in that, if world prices went above the ceiling, domestic millers did not pay more than the ceiling price. For most of the time in the past year, world prices exceeded the ceiling. As a consequence, Canadian farmers in effect subsidized consumers because of the way this act is written. The Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) gave figures for the past three years. He stated that by dropping the subsidies here the government saved something like $200 million.

At the same time as reducing the commitment to assistance in Canada occurred, we began operating under a different grain marketing system. We shifted the marketing of feed grains, lower grades of wheat, out of the jurisdiction of the Canadian Wheat Board on to the open market. The effect of that has further eroded the income of farm producers in western Canada.

A study was done by the grains committee of the Saskatchewan department of agriculture. It showed that approximately $160 million was lost by Saskatchewan producers over the past three years because of the use of the open market for the marketing of feed grains. If we had perfect markets, which we never have, theoretically that should represent a reduction in the cost of food for consumers of about $160 million. When you are aware of the kind of economics that play in the grains industry, you very quickly see that that did not happen. Rather than reductions in production costs of those industries that use mill feeds, there has been a greater concentration and build-up of feed mill capacity shifts in ownership, particularly in the production of hogs, especially in the province of Quebec where marketing boards were not a factor in the marketing of hogs.

● (1520)

Packing companies with their feed companies subsidiaries moved in to take advantage of the possibility of lower prices because effectively grain offered on the open market is distress grain. Prices are usually under pressure, and instead of purchasing grain through the Wheat Board where the board offers the product on behalf of the farmer and is in a strong position to argue about price, we have degenerated again into a position where individual farmers are attempting to make their own deals in competition with each other. Of course the price is depressed as a result.

The two factors combined have meant a considerable drop in income to farmers who live in the Wheat Board area, and we feel the whole situation could have been handled better had feed grain marketing remained under the Wheat Board and realistic guarantees been given on the consumption of grain in Canada.

We would propose that the subsidies be reimplemented. There is no real saving to be made by the government or the people of Canada through their abolition. We believe the open market for feed grain should be disbanded and that the Wheat Board should be put in control, not just because it provides better incomes for producers but for a whole range of reasons we cannot go into on this occasion. I have in mind factors which relate to the marketing, transportation, handling, allotment and movement of grain.

We think consideration should again be given to the original concept of the two-price system—instead of a floor and a ceiling within a range presented to the House every three or four years, annual negotiations should take place between the government, or an agency of government, and the farmers, to work out an acceptable cost-price formula for each year. The grain would then be purchased by millers. We think this would be in keeping with the market situation which exists in Canada today and that it would be more in harmony with the original idea of the two-price system as conceived by farm groups and others 20 or 30 years ago, and that it would be fairer to both producers and consumers.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise today to speak on Bill C-6, and particularly to reflect the view that in the scale of wheat one of the most important things to which we need to pay attention is that in the whole field of agricultural production, farming and farm people are not given the attention in the market place that they ought to receive. It is fair to emphasize that invariably, in any country, fisheries, forestry, and agriculture are given bottom priority in terms of government expenditure or attention. It is neglected in this way despite the fact that yesterday 12,000 children under the age of five died of starvation and that today another 12,000 face the same fate, and tomorrow yet another 12,000.

We live in a world where at the present time four-fifths of the population are suffering from malnutrition. I am sure it is shocking for most Canadians in this rather affluent society to learn that some 70 million people in the world suffer from permanent and irreversible brain damage due to a lack of protein in their diet. So when we talk about farmers and wheat the first thing we should recognize is that the farmer is a businessman in the business of food production and there are only two sources of food in the world; one is soil and the other is water.

Traditionally those of us who have a prairie background used to think of wheat prices as running parallel to oil prices. The price of a bushel of wheat was roughly equivalent to the price of a barrel of oil. Those who remember the days when we got three dollars for wheat will recall that a barrel of oil also cost approximately three dollars. As the price of oil increased, so did the price of wheat. When oil cost four dollars, wheat cost four dollars, and things continued that way until the recent past when the separation between oil and wheat prices widened very rapidly. But the price of oil has gone up to something like $35 a barrel on the world market, while the price of wheat remains at between five dollars and seven dollars. This has meant an extremely sharp increase in import costs in the farm community in the area of chemicals, land values, machinery costs, labour costs and so on.

Of special importance is the increase in the cost of capital. I am not blaming the government, in particular, for this, but the interest rate situation at the present time puts pressure on the farming community, and we should all be aware that while farmers are in receipt of an income which is more or less fixed in terms of the prices they receive, they are unable to control the costs they must undertake in order to do their job adequately.

I have before me an interesting notation taken from a recent copy of the Edmonton *Journal*, a newspaper somewhat west of *The Ottawa Journal*. We learn that to pay for ten ounces of instant coffee at current prices a farmer has to sell 150 pounds of wheat. To buy a loaf of bread, which takes hardly more than one pound of wheat to make, he has to sell 13 pounds of wheat. When he leaves his automobile to be repaired, for one hour of shop time, let alone the cost of the parts, he has to sell about 600 pounds of wheat which is enough to make some 500 loaves of bread. If he has to spend an hour, not in your chair, Mr. Speaker, but in the dentist's chair, he finds he has to bring three tons of wheat as the equivalent to the price of the service he is getting. It is very interesting to consider that in the hypothetical loaf of bread costing 25 cents it would still cost

the consumer 23½ cents if the farmer gave his wheat away free.

When we talk about two-price wheat we are not merely talking about a second price which somehow guarantees to the farmer his ability to produce one of the most needed commodities in the world. Unfortunately, we find that this two-price system, because it is not regulated in relation to world market conditions, ends by forcing the farmer to sell his wheat at a price which subsidizes Canadian consumers.

We accept what the minister has presented to us today. This is only sufficiently satisfactory if we find that the world price for wheat does not rise above seven dollars. As soon as that happens, the farmer is subsidizing the consumers of Canada as he has done in past years on a number of occasions. Perhaps I will be excused by my hon. friends in this party if I quote from a Liberal senator, Senator Hays, who says that, with the exception of Denmark, Canada supports its agricultural industry to a lesser extent than any country in the industrialized world.

● (1530)

It is interesting to note that while farmers are not looking for subsidies or that kind of program in terms of income, there are mechanisms which we can put in place, particularly in terms of research, transportation and marketing, that would be of great assistance to the agricultural community, particularly in terms of getting the wheat price we want. With that in mind, I should like to note that government contributions to the agricultural income of farmers in Great Britain amount to some 67 per cent. In France that contribution amounts to 50 per cent, in the United States it is 17 per cent, and in Canada it is 1.7 per cent. It is clear to me that if we could have the systems in place which would allow for marketing plus a much more aggressive marketing activity in the international market place, we could begin to get a much more acceptable price into the farmer's pocket.

When I speak about putting a transport system in place, it should be known that farmers in each of the last several years have lost over $500 million in the prairies, not because they could not grow the grain, nor because they did not have the grades of grain, but rather because countries came asking for grades of grain which we have but for which we did not have the transport system to get that grain to port.

In a country that has a deficit as large as we have in Canada, where the largest single item on which we pay our taxes is interest on our accumulated foreign debt, not to have a transport system in place which would bring $500 million to the Canadian economy annually is an unforgivable fact in 1980. We have had ample time, and ever since the ample representation that was made at the WEOC convention in Calgary in 1973, we have been promised, as prairie people, that these needs would be attended to. In short, what we find is simply the echoing and re-echoing of the same promises, and little action is taking place in terms of getting the infrastructure in place.

I should also point out that because of the failure to put into place the kind of support system that we really need to have, demoralization is taking place in the agricultural production communities today. The fact that we have decreasing numbers of farmers, because nearly 10,000 farmers each year leave farm production work to go into other lines of business, and the fact that farming operations are becoming larger, indicate that the family farm concept is not feasible under the present kind of policy. While that is of concern to the farming community, it should be of particular concern to the world at large that our farmers are not able to stockpile food which traditionally we have done.

Throughout much of the 1950s and 1960s we thought that if all food production were to stop in the world, we would have food stockpiled to last us for more than 80 days. Four years ago, that amount dropped to a supply of food for 36 days, and at present we have food stockpiled for only 18 days. In part, that reflects not just the attitude of this government but the attitude of all governments toward the three industries which I mentioned previously, namely, agriculture, forestry, and fisheries. Governments of all nations, whether they be democratic, dictatorial, or of other kinds, give an unusually low priority to these industries. It is an attitude that I have never been able to comprehend or appreciate. I say that, in view of the fact that there is no need in life as basic as food, and that need remains until the end of life, it is a requirement in all countries, and it becomes the focus on the international scene today as hunger.

I note that the Minister of Transport (Mr. Pepin), in listening to me today is finding great humour in my words as if I were not speaking seriously to him, or as if this were not a matter about which he could do something. So long as farm people are subsidizing the consumers in this country, at a time when Canadians are getting some of the cheapest food of any peoples in the world, I would say to any consumer group that I challenge them to go out and find any other country that can produce food as cheaply as it can be bought in Canada. In addition to that, let me remind the House that the average hourly earnings of a Canadian farmer in 1951 earned him two dozen eggs. In 1975 his average hourly earnings would buy him seven dozen eggs. If we compare the farmer with the consumer, we find that in 1976 the net farm income dropped some 20 per cent, and again in 1977 it dropped 11 per cent. I am short of data for the years between 1977 and the present, but I know that there was a drop last year and I know that for next year we are anticipating another significant drop in farm production incomes.

I plead with the government today that, in terms of the two-wheat policy, flexibility should be built into the bill before us so that when the world price increases above the ceiling, the price here can be moved upward. We must avoid the situation where producers find themselves in a tight squeeze but at the same time have to subsidize the consumers. If for some reason it becomes the judgment of the government that food prices are too high—which I argue they are not in this country in relation to the percentage of our disposable income which we spend on food—then surely the onus is on the government,

through the Parliament of Canada, to subsidize the consumer. The decision should not be reached automatically by way of a statutory act that subsidization should take place by forcing the farm producer to put his products on the market at a price below its value.

What this bill will do is to force us into the situation where we must put on the shelf cheaper food than what you could sell in the international market place, allowing Canadian consumers to purchase it more cheaply than they would normally be able to do, rather than the government taking that responsibility which is naturally theirs.

● (1540)

If we take a look at some of the increased expenses of the farm community, we note that the borrowing debt of farmers has almost doubled during the past six years. It has risen from $8.5 billion to the present situation where there is an increase of another $4.3 billion on top of that. Also it is worth while noting that out of every dollar spent by consumers only 38 cents go to the actual production of food or the farmer himself. The budget of the federal Department of Agriculture totals some $673 million, which is less than 2 per cent of total government expenditures. The one thing every Canadian does is eat three times a day, generally. What I have just said underscores the low priority given to agriculture and an agricultural commitment.

With a two-price wheat system, it is important to note that the obligation of the government is simply and absolutely to make an amendment to this bill of a nature to guarantee that, as the world market increases, the upper level remains flexible to the extent that farmers are not locked into the present system which I find unacceptable. As the hon. member for Wetaskiwin (Mr. Schellenberger) so ably stated earlier in this debate, August 1, 1980, will be the date of the application of Bill S-6, which means in effect that farmers will have been without a program throughout the past year.

Even if total food costs have risen higher than other sectors of the economy, Canadians are spending less of their disposable income on food dollars than any other country in the world, including the United States. Canadians are spending approximately 17.5 cents of their disposable income for food dollars. In the United Kingdom it is 29.3 cents; in Ireland 32.6 cents; in Austria 28.6 cents; in Sweden 27 cents; and in France 23.4 cents.

In terms of the amount of disposable income which Canadians spend on food, and the fact that it is down to 17.5 cents out of every dollar, this means that we cannot listen to the hue and cry of consumers who say that farmers and producers should subsidize it. Rather, we must look at the data and recognize that on the world picture there is no nation, including the United States, that puts food on kitchen tables as cheaply as Canada. Surely that cheapness ought not to be the obligation of farmers. It must be public policy, for whatever reasons the government deems. Then it becomes incumbent upon all taxpayers to see that that policy is in place, and not one particular sector such as farm producers. I think Canadians have a respect for the value of farmers and their production, in view of the fact that they bring in the highest amount of capital which eases the balance of payments more than any other industry in Canada. Certainly it is of great importance that the agricultural community is the largest employer of any community in the country.

I see Mr. Speaker is indicating that it is about time for me to wind up the great address I am giving this afternoon. I had only a few moments notice to get ready for this; I did not know that it was to be brought on. It being 4.45 o'clock, I should like to take the opportunity to move to adjourn the debate today.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hon. member is quite correct in all respects except for his reference to the time. It is only 3.45. Earlier it was suggested by the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard) that at this time the debate on Bill S-6 be adjourned and the House would proceed to the consideration of Bill S-4.

Before we proceed with the hon. member's motion, I should like to indicate to the hon. member for Crowfoot (Mr. Malone) that he retains his right to continue this debate when Bill S-6 next comes before the House for consideration.

Is it the pleasure to adopt the motion to adjourn the debate?

Some hon. Members: Agreed.

Motion agreed to and debate adjourned.

* * *

DEPARTMENT OF LABOUR ACT

REMOVAL OF REQUIREMENT TO PUBLISH "LABOUR GAZETTE"

Hon. Francis Fox (for the Minister of Labour) moved that Bill S-4, to amend the Department of Labour Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

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

Mr. Knowles: No!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I sincerely thank hon. members on all sides for their co-operation this afternoon. Since we have been so diligent in our work, as I mentioned earlier, we have been scurrying around for other work to do so that we do not waste any time. I understand there is a disposition on all sides to allow this bill to go to committee at four o'clock.

I rise to speak on second reading of this bill to amend the Department of Labour Act of 1900. I am sure the large majority of hon. members are familiar with the objective of this amendment. I am very sorry the Minister of Labour (Mr. Regan) or his parliamentary secretary could not be here this

afternoon to introduce this bill for second reading but, as I mentioned, it was decided on short notice.

The effect of the amendment is to put into effect the elimination of the requirement of the Department of Labour to publish the *Labour Gazette* and its companion publication *la Gazette du Travail*. It will be recalled that this enabling legislation was originally placed before the House in December, 1978, and again in October, 1979. These proposals were based mainly on the realization that the substantial cost of the two publications could no longer be justified at a time when major expenditure reductions were being ordered throughout government departments. I need scarcely point out the need for government restraint in expenditures. It is a continuing need on the part of this government, so the rationale for the earlier proposals remains just as effective today.

It would be fair to say that the *Labour Gazette* became a victim of changing tastes and technology over its 78 years of existence. For much of that time it was virtually the only journal of record in labour affairs, but in recent years several of its functions were taken up by advancements in communication methods and media, with the growth of specialized newspaper columns on labour affairs, trade and professional publications, and the electronic media, due to the high profile labour matters have continued to attract.

As a result, the role of the *Labour Gazette* evolved into a type of forum for the expression of points of view from the spectrum of participants in labour affairs, principally organized labour, management, and academics. Its audience tended to be a specialized one, and therefore a comparatively small one. It would be appropriate to note that the cost of publishing the *Labour Gazette* and *la Gazette du Travail* in the fiscal year 1979-80 was estimated at $225,000.

● (1550)

By ceasing publication at the end of the calendar year 1978—a logical time for librarian and archival purposes—a saving of some $83,000 was realized in the 1978-79 expenditures.

I mentioned the small size of the *Gazette's* audience: in fact the paid circulation of the *Labour Gazette* at its demise was only 2,800 copies and that of *La Gazette du Travail* just 750 copies.

Efforts were made to increase this low circulation, and the above figures actually represented an increase of some 590 copies in the *Labour Gazette's* circulation over the seven months preceding cessation.

These figures meant that while each annual subscription cost the subscriber only $7.50 for ten issues, the production cost amounted to about $60.00—a situation in which justifying the underwriting of more that $50.00 per year for each subscription was indeed difficult.

Furthermore, the Department of Labour Act does not, in fact, require issuance of a publication such as that into which the *Labour Gazette* evolved. The original legislation called only for the publishing of statistical records. Although the later version of the *Labour Gazette* still carried statistical data, its prime role had become that of a forum. It does without saying, as well, that over the years a vast range of statistics has become available from numerous other sources.

In the Department of Labour a careful study was undertaken to determine if any alternative reductions, in either programs or services, could be made to preserve the vehicle of the *Labour Gazette*. With regret, however, no alternative was available, and in fact a number of other publications also had to be terminated to meet the required expenditure reductions.

The decision was made, therefore, after much deliberation, to cease publishing these periodicals. This had the effect of reducing 1978-79 and 1979-80 expenditures by at least the amounts I have mentioned.

I would make the point that the provision of a forum for independent labour-related opinion, as distinct from a vehicle for partisan thought, still has merit, provided it can be produced at reasonable cost. As I have indicated, there is absolutely no lessening of the real need to continue curbing financial expenditures. Nevertheless, Mr. Speaker, it should be noted that the effect of this legislation, while reacting to the restraint demands, eliminates the requirement to publish the *Labour Gazette* and *La Gazette du Travail* but does not prevent introduction of periodicals under the same or similar title if circumstances justify such action.

In the present circumstances, however, I have no option but to confirm the earlier decision to discontinue these publications.

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I am personally astounded at the way in which the government has tried to justify the elimination of this historic and very useful document in terms of the world of labour in Canada. Frankly, I am not prepared to get into debate as to whether everyone on my side of the House agrees with me, because frankly I do not care. I was opposed to the elimination of the *Labour Gazette* when I had the privilege of serving my leader as critic on labour matters in the House of Commons. I was opposed to the elimination of the *Labour Gazette* while I had the privilege of being a minister of a government, and I am absolutely and utterly opposed to the elimination of the *Labour Gazette* today, as a member of Her Majesty's Official Loyal Opposition.

I listened with great care to the reasons put forward by the parliamentary secretary who has given a speech which, of course, is the bureaucratic answer to the request of somebody in the Department of Labour that we find some way to cut down on expenditures.

We are talking about a publication that has been in existence, not just for years but for some decades. This has been a publication, to those of us who have had the privilege of reading it over the years, which has given an insight into the world of labour in this country. I have spent a great deal of time considering this matter and I must say that this publication is second to none.

The suggestion being made this afternoon by the government, and I know there are members on both sides of the House who will support it, is absolutely and clearly erroneous that is, that this publication has no useful purpose in the management-labour world of Canada today.

I have to say to you, Mr. Speaker, and to other members of this House, that, as a Conservative who believes in the civility of the community, the *Labour Gazette* is one of the most useful publications the Government of Canada has ever produced. If hon. members will send their researchers to look at this publication over the years they will find that on every great social issue this country has faced for many decades the *Labour Gazette* has treated the matter with intellectual competence and human understanding.

What distresses me so much is that in a wave of what I have to say is false economy we have destroyed this vital and very necessary publication. The hon. member who spoke on behalf of the government for the dissolution or ending of this publication, referred to the fact that its circulation is limited. There are easy ways to increase the circulation of a valid document. There obviously has been no attempt to increase circulation. What that hon. member did not talk about was the loss of those people who have put this publication to work and to press periodically throughout the years. They are now lost to us.

The terrible shame of this whole thing is that we could have kept this document in existence for years for less than what it is costing the taxpayer of Canada for those great full-page ads that have been appearing in the national newspapers of this country about the benefits to their areas of the purchase of a fighter plane. This fatuous advertisement has involved sums of money that have been carelessly thrown away.

When people come to the House and say they want to destroy this publication because of the need for economy, I must say to the House and the public that there are reasons for economies, and there will always be such reasons, but there is nothing more disastrous than mindless moves to limit expenditures for a certain thing when we have nothing to take its place. In this case we will have jettisoned, thrown over, eliminated something that has been of great benefit to the very many Canadians in this country who have needed something like the *Labour Gazette*.

I must say personally that I have no sympathy for anyone in this House, and I care not where they sit, who presumes to support what I think is a fundamentally shortsighted move. I tell those people, and I do not care whether they are in my party or in another party, that this is a mistake. It is a mistake which is breaking a great tradition and which is diminishing the capacity of an independent minded governmental group to comment on matters which are of essential importance to the economy of this country that is, the relations between management, government, and the working men and women of this country. I am sorry to have to do this, but I must register most violent opposition to this bill. I deeply regret that the government has not had the wit or the wisdom to realize that this kind of uneconomic move, which is what it is called, is a self-defeating move.

• (1600)

I ask all hon. members in this House this afternoon to stop and consider the advertising bill of this government and the countless thousands and millions of dollars which are spent promoting advertisements like some kind of pale, imitation tea party type of program. I would like them then to ask themselves if that money could have been used to save something which is so legitimate and crucial to whether or not this country pays its way in the coming years. I say, with no fear of contradiction—and if anyone wishes to contradict me, I will take them on in any form at any place—the fact is that the relations between management and labour in this country are essential to whether or not we ever balance a budget or get out of the trade deficit situation we are in now. We must provide a civil community in which the people, whether they are being paid a salary or a wage, or whether they are making the decisions within industry or government, are to live together in peace and some kind of reasonable accord.

I deeply regret this move, and I think that it is folly. There will be a time when we may well stand in this House and ask that the publication be reinstated.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member at this time, but perhaps we should seek the unanimous consent of the House if we intend to debate this bill beyond four o'clock.

Mr. Collenette: Mr. Speaker, on a point of order, I would like to thank the House again for its collaboration this afternoon. The agreement was that the hon. member for Winnipeg North Centre (Mr. Knowles) would speak for a few minutes on Bill S-4 and that we would then give it second reading and send it to the Standing Committee on Labour, Manpower and Immigration. We would then immediately proceed through all stages of Bill S-3 without debate, and then to private members' hour, which may go a little beyond five o'clock. If there is unanimous agreement to that, it will be completed within a matter of five minutes.

The Acting Speaker (Mr. Ethier): Is there unanimous consent to that proposal?

Some hon. Members: Agreed.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the statement just made by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) is correct, namely, that we are prepared to keep this debate short and to send this bill to the Standing Committee on Labour, Manpower and Immigration. However, when the bill is called after I sit down, I shall be shouting, "on division".

Like the hon. member for Vancouver South (Mr. Fraser), I am strongly opposed to this bill, the purpose of which is to bury the *Labour Gazette*. It is not a case of a funeral immediately at the point of death, because the government killed the

Labour Gazette a year or so ago. It is a case of Parliament being asked, after the event, to approve what the government has done.

Mr. Fraser: You are absolutely right.

Mr. Knowles: However, the reasons I am opposed to the bill have in large part been stated by the hon. member for Vancouver South. In the first place the *Labour Gazette* has been a very important instrument in labour relations for decades. I suggest that to bring it to this unceremonious end is a mistake. In the second place I do not like the government taking these actions first and then asking Parliament to approve of them afterwards. In the third place I do not like the unfairness to the employees involved in the publication of the *Labour Gazette* which is represented by the action of the government in bringing this publication to an end.

I should like to take a minute or two to warn every Liberal member of this House that tonight the ghost of Mackenzie King may stalk their bedrooms. I hope that he scares the daylights out of them. I remind the Liberal government that in effect it is bringing to an end an important piece of Canadian history and a highly important piece of Liberal history. I invite members of that party to read books such as "William Lyon Mackenzie King", a political biography, by R. McGregor Dawson, and in particular to note the experiences which Mackenzie King went through in the summer of 1900.

Mackenzie King spent part of that summer in Rome and part of it in London. At that time the institution of the *Labour Gazette* was being considered, and its publication was to be under the direction of the then postmaster general, the late William Mulock. In the middle of the summer Mr. Mulock sent a telegram to Mackenzie King in Rome offering him the editorship and management of the new *Labour Gazette* which would begin in July, at a salary of $1,500 a year. Mr. King at that point was trying to get into academic life. He thought he had an opening at Harvard University. He knew that if he got such an opening at Harvard, it would pay $400 or $500 a year.

According to this diary, he went through great travail of soul as to which of those offers he should take. It seemed to bother him that he was leaning in the direction of taking the choice that made the most money. But, of course, he was prepared to do that only if it was for the common good. However, when he leaned the other way and considered accepting the offer at Harvard, he found that Professor Taussig at Harvard, whose books on economics some of us had to study some years later, and his father, the late John King, both urged him very strongly that the place for him to come was to Ottawa to take on the important function of editing the *Labour Gazette*.

That is the beginning, in a practical sense, of the Liberal party having some interest in labour relations. Mr. King went from that position to other positions in the Department of Labour, to become its deputy minister and so on. Then in 1908 he took the further step of becoming a member of the House of Commons and, of course, we all know what happened from that point onward, how he became the Prime Minister of this country and held that position longer than any other person, at least thus far.

But now we have the Liberal party saying that this patron saint of theirs, who is capable—according to his beliefs—of coming back and bothering them, is to be brushed aside with all his interest, as I say, in having a publication which would play a part in labour management relations. It has done that through the years. I think that it is a serious mistake to discontinue the publication, and that is all that this bill does. It substitutes a clause in the Department of Labour Act for one that is already there, and it brings to an end a requirement to publish the *Labour Gazette*. It is a mistake, and a move to which I am strongly opposed.

However, we have agreed not to spend too long debating it this afternoon, but in return for that the government has agreed that the bill will go to committee so that it may be considered further and, if necessary, considered again back in the House. Along with the member for Vancouver South and on behalf of my colleagues, I register very strong opposition to this bill, to what it does to the *Labour Gazette* and to what it does to the memory of the Liberal party's patron saint, Mackenzie King.

Mr. Kilgour: Mr. Speaker, I understand that there has been a House order and some sort of agreement on this bill that there will be no further speeches. Is that the understanding of the Chair?

The Acting Speaker (Mr. Ethier): That is the understanding I sought, a moment ago.

• (1610)

Mr. Kilgour: I discussed the matter with the hon. member for Vancouver South (Mr. Fraser). If I understand my friend correctly, I should like to add something in support of his position on the bill, but if it is the ruling of the Chair and the understanding of hon. members that there be no further speakers today, obviously I shall abide by that. I just wonder if Your Honour could clear this up.

The Acting Speaker (Mr. Ethier): Order, please. If we are to reverse the prior decision it would have to be with unanimous consent. Unanimous consent was granted by hon. members a few minutes ago that we not see the clock at four o'clock and go beyond five o'clock for private members' hour. It was understood that there would be one more speaker.

Mr. Collenette: On a point of order, Mr. Speaker, the agreement was that the hon. member for Vancouver South (Mr. Fraser) would speak, then the hon. member for Winnipeg North Centre (Mr. Knowles) would reply to what I said and that now we would call the question.

The Acting Speaker (Mr. Ethier): That is what the Chair understood. It has been brought to my attention that I referred to hon. members a few moments ago as "honourable gentlemen". To the lady members present, I wish to apologize.

Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

* * *

[*Translation*]

QUEBEC AND MONTREAL PORT WARDENS ACTS

MEASURE TO AMEND

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill S-3, to amend an Act to provice for the appointment of a Port Warden for the Harbour of Quebec and to amend an Act to amend and consolidate the Acts relating to the office of Port Warden for the Harbour of Montreal, be read the second time and referred to Committee of the Whole.

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

[*English*]

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Knowles: By leave, now.

Mr. Pepin moved third reading of the bill.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Ethier): Order please. It being 4.15 p.m. the House will now proceed to the consideration of private members' business listed on today's order paper, namely, public bills, notices of motions, private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. Order No. 4. Second reading and reference to the Standing Committee on National Resources and Public Works of Bill C-204, an Act to amend the National Energy Board Act (provincial representation and sunlight provisions).

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State (Trade)): As it is already pretty late, Mr. Speaker, that is, past the normal time for consideration of private members' business could you tell us in advance at what time we are expected to adjourn, following consideration of private members' business?

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. parliamentary secretary is seeking accurate information on what time the debate will end. I thought it was understood in the prior commitment that we would not see the clock at four o'clock and that we would give one hour to private members' business. The House will therefore sit until 5.15 p.m.

Shall order No. 4 stand?

Some hon. Members: Stand.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

AMENDMENT RESPECTING MATERNITY BENEFITS

Mr. Chas. L. Caccia (Davenport) moved that Bill C-205, to amend the Unemployment Insurance Act, 1971 (maternity benefits), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

The Acting Speaker (Mr. Ethier): Order, please. There has been some doubt over the years respecting the ability of members to introduce bills amending the Unemployment Insurance Act without infringing the financial prerogative of the Crown, the benefit of which was given to the member.

Currently, the government shares the cost of the first two phases of the regular unemployment insurance benefits with the private sector, that is, initial regular and labour force extended benefits, on the basis of a cost sharing formula which features an eight-year moving average of unemployment rates, also called the threshold rate of unemployment. In accordance with this formula the government finances the cost of such regular benefits that is attributed to the excess of the actual rate of unemployment in a calendar year over the "threshold rate" of unemployment. The government also finances the cost of benefits paid during the third phase of benefits, also called regional extended benefits, the net cost of benefits paid to self-employed fishermen as per subsection 146(2), and the cost of benefits paid during any extension granted under sections 38, job creation, and 39, training.

The above points clearly to a scheme which is sustained not only by contributions from the private sector but also by charges on the Consolidated Revenue Fund.

When a private members' bill provides for an extension in the benefit period, for an enlargement of the class of possible claimants, or for an increase in the benefits payable under the act, the charge on the Consolidated Revenue Fund would consequently be increased. Therefore, in my view, any such bill

would be a "money bill" which must be introduced by a minister of the Crown and accompanied by the recommendation of the Governor General.

However, because there has been some considerable latitude given in the past, the Chair will, in this instance, enter a caveat as to the procedural acceptability of Bill C-205, an act to amend the Unemployment Insurance Act, 1971 (maternity benefits), since it infringes the financial intitiative of the Crown, in the light of the scheme of the Unemployment Insurance Act.

Notice is now given, however, that members should accordingly govern their requests to the office of the law clerk and parliamentary counsel to draft such bills.

I intend to allow the debate to take place on this bill until such a debate comes to an end and then will rule on the acceptability of the bill.

Mr. Caccia: Mr. Speaker, I should like to thank you for your ruling and for permitting debate to take place on this bill. I appreciate the difficulty you have encountered in deciding whether it would be acceptable. I certainly appreciate your conclusion, and thank you for your permission to go ahead with the bill.

For the benefit of hon. members, may I ask you to cast your mind back to 1971 when the then Liberal government decided to include the concept of maternity benefits in unemployment insurance, despite strenuous opposition from several quarters.

We all thought that the idea of maternity protection for women in the labour force was good Liberal ideology and one with which a modern industrial state could come to grips and implement. The good Liberal policies of 1971 were like a good wine which needs time to settle and improve itself. Now, nine years later, it is becoming clear, and a number of national organizations have brought this to our attention, that changes are needed in order to improve what was rather radical and advanced thinking in social legislation.

● (1620)

Let me briefly illustrate for the benefit of members present what Bill C-205 intends to do.

In the existing legislation, which we propose to amend with this bill, ten of the first 20 weeks of pregnancy must coincide with the minimum 20 weeks of contributions. If a woman who is in the labour force has only nine or less weeks at work at the beginning of her pregnancy, she is disqualified even if she has worked 20 other weeks.

Second, we can take the case of a woman who is not eligible for maternity benefits, because of the description that I have just given, expecting a child and is unemployed. She cannot qualify for unemployment insurance in the period eight weeks before and six weeks after the birth of the child. In other words, within a period of 15 weeks, which happens to coincide with the birth of the child, that woman cannot draw unemployment benefits.

Third, take the case of a woman who lives in the Atlantic provinces where she needs 15 weeks of contributions to qualify for unemployment insurance in general. But if she has contributed 16 weeks she will not qualify for maternity benefits because the law says that she has to have 20 weeks. This rule applies across the entire nation regardless of regional qualification for unemployment insurance benefits. She will not qualify for regular benefits for 15 weeks, again around the date of the birth of her child. That woman in the labour force is penalized twice—and I am using the word "penalized" in a very narrow sense—in relation to her colleagues in the labour force who may become unemployed for different reasons other than maternity.

Finally, let us take the existing case today. For every week that a woman is on unemployment insurance because of unemployment or sickness during the preceding year to her maternity, one week is deducted from her maternity benefits, if she qualifies. That means that if in the preceding year the woman has been covered for unemployment insurance purposes for five, ten or 15 weeks, these weeks are deducted from her total maternity benefits.

With these illustrations in the background, I suggest that Bill C-205 represents one small step in the direction of a more extensive maternity policy. It is really an effort to bring equality of access to unemployment insurance benefits. It is nothing more than that.

I would suggest also that in the 1980s and in an industrial society like ours we do have to develop an approach which will go well beyond the scope of Bill C-205. This bill before us somehow redresses imbalances. It attempts to establish certain equality and, as I mentioned earlier, access to benefits—nothing more than that. Certainly we do need more than that. That, of course, can only be done within the scope that is given to a government and to a minister in charge of this type of policy.

I would say in commending Bill C-205 that it is meant to bring parity in the treatment of working women, who apply for maternity benefits, in line with the treatment of others who apply for regular benefits. At the present time the requirements for maternity benefits are stricter than those for other benefits.

With this bill we are proposing to replace section 30(1) with a clause that will make maternity benefits available to pregnant women who have worked 20 weeks in the 52-week benefit period. At present, and I am going to repeat the illustration of a moment ago but in a different way, for a woman to be eligible for maternity benefits, the time when she becomes pregnant is crucial to whether or not she is eligible for benefits. She must have worked 20 weeks, like any other worker, but ten of those weeks must overlap with ten of the first 20 weeks of her pregnancy. I shall repeat that: a woman must have worked 20 weeks, like any other worker, but ten of those weeks must overlap the ten of the first 20 weeks of her pregnancy.

For instance, if a woman stopped working nine weeks after becoming pregnant, she would not be eligible for maternity benefits even though she would qualify for other benefits. This

has the effect of making women who apply for maternity benefits work longer than other people.

In this bill we are proposing to delete part of section 30(2) so that maternity benefits can be claimed at any time once the person qualifies. At the present time, Mr. Speaker, a woman can only claim maternity benefits during the first 15 weeks of the initial benefit period. This means that if she had already collected ten weeks of benefits in the preceding 12 months, because she was sick or lost her job, she could only collect five weeks of maternity benefits. Therefore the aim of this bill is that maternity benefits should not be reduced because a woman has collected benefits for other reasons. Other reasons are in a different category. Maternity benefits ought not to be touched by benefits received for other reasons.

Bill C-205 proposes to delete section 46 so that pregnant women who are not eligible for maternity benefits can collect regular benefits. At the present time the law says that women do not qualify for maternity benefits, even though they have worked 20 weeks and cannot collect regular benefits in a period which starts eight weeks before the expected date of delivery and ends six weeks after the birth of the child. For a period of 15 weeks these women get nothing, even if they are out looking for a job and even if, under other circumstances, they would be collecting unemployment insurance. On the part of the state I submit, therefore, that there is an arbitrary and somehow inflexible assumption of the period during which women are not available or capable of work. I submit that is not a decision for the state to make.

Bill C-205 also proposes to amend section 25 so that regular benefits are available for pregnant women who are not eligible for maternity benefits but who do meet the regional requirements which may be, in some parts of Canada, less than 20 weeks. This amendment would complement the removal of section 46, to which I made reference a moment ago, by ensuring that the woman is not prevented from collecting regular benefits in the 15-week period around the birth of her child, and that she will be eligible for regular benefits if she is unable to work because of pregnancy and has contributed to the fund for the number of weeks required in her region, like everyone else, if it is less than 20 weeks.

This bill proposes to bring in line our Unemployment Insurance Act with the recommendations made by the Human Rights Commission in recent times. Hon. members may be familiar with the case of Stella Bliss who was not able to obtain maternity benefits because of what is called in the departmental jargon in Ottawa "the magic 10 rule". She was disentitled from regular employment benefits even though she was capable of work and had a major attachment as a claimant. She claimed this was discrimination on the basis of sex. The Supreme Court of Canada did not agree that discrimination on the grounds of pregnancy was discrimination on the grounds of sex, and therefore her appeal was disallowed.

• (1630)

The Human Rights Commission said that the case of Stella Bliss illustrates that women can suffer economic penalties if they attempt to combine the social roles of work and childbearing, both, of course, a necessary and valuable contribution in the development of our country. In pursuing the idea of Bill C-205, namely, that of equal access to unemployment insurance benefits, one inevitably has to ask what would be an ideal period for coverage of women in the labour force who are pregnant and have a child before this type of economic support comes to an end.

The present period of coverage is far too short. At the same time it is extremely difficult to obtain an indication of what would be an adequate period of time. Some feel the coverage should be extended to two, three or even four years. It would say the first step would be to amend the act so as to provide a maternity benefit of six months. This would be an increase of 11 weeks on the existing 15.

Some may ask why this should be done. Perhaps we ought to look at this matter from the point of view of the child as much as from the point of view of the mother and what benefits are derived for society as a whole. If we were to increase the benefit period to six months, we would have an investment in the future of our society, the future generations. The happier the child is, the fewer problems he will have later on which fall into the category of juvenile deliquency, need for institutional care, and behaviour of adults that sometimes degenerates to what we learn from the headlines.

It must be clear that every step along this path is addressing itself to and is meant for women who need help most. In this country there is an increasing number of women entering the labour force and an increasing number of single parents. The women we think of with regard to this bill are not those with the glamorous jobs. After a pregnancy, they would not go back to a terrific job. They would go back to factory jobs, clerical, assembly line or cleaning jobs, mostly in our cities.

These women have to bundle up their children between six and seven in the morning, winter and summer. They must take the subway in order to get the child to a day nursery in another place. The child is left there, picked up at the end of the day, and contact is again re-established with the child.

These situations are increasing in number and are more and more typical of our industrial society. The emphasis must be in considering the mother and the child. Last week in this House the report was submitted by the Canadian Commission for the International Year of the Child. I would like to put on record two quotations from that report because they seem to be helpful for the consideration of the government once it moves in this direction.

One thought in that report indicates that benefits should follow the child. Distinction should not be made between male and female parents when considering those benefits which provide for the care and nuturing of a child. In other words, the main stress or concern ought to keep in mind the interest

of the child in the long run and our responsibility as members of society to the next generation.

In the same report the commission put forward the idea of a parenthood insurance scheme whereby a long-term strategy would enable both men and women to participate in the paid labour force while, at the same time, fulfilling their responsibilities as parents. There would be a nine months "child leave" with 75 per cent of regular income, and so on.

The province of Quebec has legislation whereby that provincial government pays expectant mothers a benefit during the first two weeks of their maternity leave while waiting to receive the unemployment insurance cheques to which they are entitled. This measure could be adopted by other provinces, including my province of Ontario, since it is fully and squarely within the realm of the power of provincial governments in the field of social security.

There are weaknesses in the present act. Something can be done about them. One has to do with disentitlement because of labour disputes. During a strike by Air Canada last winter there were women who were due to go on maternity benefits. Once the strike began, they were disqualified because of that development. They were denied benefits until the strike was resolved. Evidently the strike was beyond the control of the workers in that company. That matter should be redressed for the benefit of the mother and the child.

There are certain aspects of the Canada Labour Code that should be brought into line. These should be brought to the attention of interested members if this bill is given second reading and allowed to go to committee.

In conclusion, I want to put some figures on record. In 1974 the total number of women in the labour force was 3,276,000. In 1979 that figure jumped to 4,408,000. In 1974 the number of women in the labour force between ages 20 and 44, the child bearing years, was 1,968,000. Last year that figure increased by almost one million to 2,778,000, a substantial increase of 41 per cent.

I see that my time has expired. Before concluding I wish to thank all those who helped in the drafting of this bill and in gathering the necessary information.

● (1640)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise to speak this afternoon as the member responsible in my party for matters affecting employment, and that includes the unemployment insurance measure before us.

I would like to thank the hon. member for Davenport (Mr. Caccia) for once again bringing the attention of the House to a continuing problem with a piece of legislation which was passed for the first time in 1971. It was a bad piece of legislation at that time, and it is a bad piece of legislation today. Considerable time has been spent by the House of Commons in trying to correct the legislation, and the hon. member opposite brings another illustration of its inadequacy to our attention today.

One of the issues which the hon. member raised was that to qualify for maternity benefits under the Unemployment Insurance Act an applicant should be able to specify the exact date on which she became pregnant. Unless medical science has made advances of which I am unaware, I believe we have a somewhat elusive phenomenon here that one cannot prove, and therefore claimants experience problems when they go to unemployment insurance offices and attempt to establish their right to benefits. This speaks, I think, to the complexity of the unemployment insurance legislation and to the difficulties which are created for claimants across the country.

One of the remarkable features of the bill is the relative proportion of the premiums from employers, employees, and government contributions which today go into the administration of the act itself, not into the benefits, not into the support systems or to the men and women in this country who need that kind of support, but simply into the administration which is a consequence of a badly designed act, one which is difficult to administer.

I would like to bring it to the attention of the House that the government which was elected in this country in May of 1979 undertook as a matter of priority a complete review of the Unemployment Insurance Act. In mind were several principles. One of these was to introduce—reintroduce might perhaps be a more accurate term—and reinforce the use of basic insurance principles. The unemployment insurance fund was originally to be a form of insurance, not different from health or car insurance. Those who through no fault of their own found themselves unemployed would be entitled on an insurance basis to income support which might ride them over until they were able to secure employment again. That principle was abandoned in 1971 and there has been a continuing problem ever since.

The second important purpose of the review was to simplify the plan both for ease of administration and public understanding. Anybody who sits in this chamber representing a riding in this country can speak, I think, to the degree of public misunderstanding which cuts across this country. People do not understand the Unemployment Insurance Act. We have situations where people who live across the street from each other have different eligibility requirements, not different premiums but different eligibility requirements. Some have to work for ten weeks, while their neighbour, right across the street, has to work for 14 weeks before becoming eligible for benefits. Certainly, Mr. Speaker, that speaks to the complexity of the act and the high cost of administration attached to it.

In our review we set out to make the measure more cost-effective. I think this suggests the need which exists to direct the benefits of the measure to those who need them most.

As a new member of Parliament elected for the first time in May of 1979 and sitting in the previous Parliament, I found that on the first occasion our Standing Committee on Manpower and Immigration met to examine main estimates, it was brought to our attention that the Auditor General some two years previously had alerted the officials and the minister of manpower and immigration to the fact that some $300 million

worth of overpayments were being made out of this fund. We inquired of the minister's officials what had been done in the preceding two years to streamline the administration of the fund to tackle this problem. The answer we received on that occasion, Mr. Speaker, was: nothing. Three hundred million dollars worth of overpayment, a two-year alert to that situation and still the bureaucracy and the minister had done nothing! One of the first things we did was to attempt to ensure that for the same premiums more money would be available to people who would be eligible for the benefits.

One of the other measures we took, Mr. Speaker, was to circulate a discussion paper to provinces, to the unions to management, and to women's groups across the country, proposing amendments to the Unemployment Insurance Act, and we began to hold, in the short time we formed the government, working-level meetings to discuss and clarify the options we were proposing. We were seeking input, not on one aspect of the legislation, such as we are discussing here this afternoon, but on all the necessary aspects of the measure. We did this with a view to getting to a point at which the legislation would make sense to Canadians. This bill has been one of the irritants.

Canadians, as I experience them, are people of good will. They do not enjoy paying taxes, but there is a sense of willingness to pay taxes provided people can be convinced that the money they pay to the support of government is being used in worth-while and equitable ways. That was the thrust of the process that our government started and it is a thrust which, as near as I can tell, has not been continued. I think the government opposite has a rather clear and consistent track record of arbitrary decision making, arbitrary confrontation, and minimal consultation with affected groups.

I sat here this afternoon and heard the hon. member opposite defend his bill and, for the most part, I found that defence commendable. I think he did bring to our attention some of the inequities which exist. But I found myself here wondering where was the principle which should guide government policy in this area. What principles are we addressing when a bill such as this is proposed? Where is the fundamental decision as to whether or not the people of Canada would like the government to have sets of social policy that would encourage more rapid population growth in this country? I think we could find lots of people who might testify to the need for a policy which would accelerate population growth.

If you start with that kind of principle or goal for government policy, does that lead one normally and naturally to a revision of the Unemployment Insurance Act? Does it lead to a revision of the Family Allowances Act? Does it lead to a revision of pensions? Where does that starting point take you? It is in that context that we should examine any expenditure plan. Surely this is a component of an expenditure plan.

● (1650)

Is it really equitable to propose that those people who may have been unemployed or are not part of the labour force for an extended period of time and who choose to work on what is perhaps a short-term project of interest to them, perhaps as short as ten weeks, and who subsequently find themselves pregnant, should receive in those circumstances several weeks of benefits at $100 or $120 a month? Is that a priority in federal expenditure as compared to benefits for someone who chooses to raise a family? Perhaps that person would like to have four or five children. Should taxpayers' money be used to support the first case or the second case, and if we have unlimited funds or if we see it as a priority, should we be devoting public money to supporting both cases?

I think it is a mistake for members of Parliament to make decisions regarding the spending of money in one area without sufficient examination of alternate possibilities.

Another option which was presented in the discussion paper and which, I think, bears repeating in this forum and making it part of the public record, is whether there should be a difference in the eligibility for unemployment insurance between those who voluntarily terminate their association with the labour force and those who are terminated in a job through no choice of theirs. In the Chrysler situation where a company lays off a great number of workers, clearly a case can be made for unemployment insurance benefits to be paid, but when people voluntarily choose to leave the labour force, should they have the same rights to benefits from this fund as do others?

Another principle which was important in our discussion paper and in our way of thinking about this fund was the need, at a time when we are experiencing dramatic price increases, to give more careful consideration to the economic needs of those who have dependants, such as single parents, married people who are the sole support of their children, or perhaps relatives who are handicapped. Should they be eligible for a higher level of support than those who only need to support themselves? That is a fundamental principle which should be addressed in terms of the Unemployment Insurance Act, and perhaps in terms of this bill.

One of my colleagues asked a few minutes ago whether the same level of benefits should be granted to a recently widowed woman with three children to support as to someone who might be classed as a millionaire or a multi-millionaire. Do we really believe that public money should be expended equally in both cases? That is a fundamental debate in which this House has not engaged for some time, and in the present circumstances it might be wise some time in the future to have the House engage in that kind of debate because it is an issue which cuts across individual pieces of legislation. It might perhaps speak to the different philosophies of the parties in the House.

The NDP, clearly and consistently, argues in favour of the principle of universality, the paying of the same amount of money to millionaires and to poor people. That is how I would describe that principle. On the other hand our party believes that the taxpayers of Canada are more willing to support and have more faith in governments if they could believe that the money which the government takes away from them is being spent on purposes which they believe they can support.

There was a set of paragraphs in the discussion paper which addressed the issue raised by the hon. member opposite in the House today. There was an examination of the issue of part-time employment within the process. There was an examination—I think this would be a fundamental change in the use of these benefits, the money which exists in the unemployment insurance fund—of the development of sets of principles and conditions which might provide a more developmental, long-range view of the use of this fund. Perhaps more emphasis should be given to the utilization of the benefits to provide income support for people whose occupation has become obsolete and who, therefore, need more training, to use, perhaps, some of these benefits to provide income support and employment to people who engage in projects of benefit to their community.

Those are the kinds of ideas which we, as the government, wanted the people of Canada to examine with us before making a decision. I think, Mr. Speaker, it would be a mistake—if you were to rule that this bill is legal in the context of what members of Parliament can do—to pass a piece of legislation that is not in the context of our social services policy and in the entirety of our social insurance act.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity to speak on this legislation because I think the principle involved in this bill is a very important and crucial one. As you stated before, Mr. Speaker, there was some question about the procedural correctness of this bill being a private member's bill. While I claim no knowledge of procedure, I must say that from a substantive point of view, from the point of view of social justice and public policy, this bill should not be a private member's bill but should be a government bill. If it were a government bill, of course, it would be simply a bill in which the Liberals were correcting mistakes which they themselves had made in the past as they changed colours and weaved from this side of the road to the other side.

Let me come to the substance of the bill. Clearly the unemployment insurance legislation at this point discriminates against women, particularly against women who work and raise children. This is a kind of discrimination which we must remove from legislation and from public policy. This has been clearly recognized as a matter of discrimination by the Human Rights Commission, the National Action Committee on the Status of Women, and also it would be recognized as discrimination under the Canadian Bill of Rights.

● (1700)

In these times there is a lot of discussion about entrenching the Bill of Rights, about putting that in the constitution. Often when we talk about the constitution we talk about it in a very legalistic fashion. Considering this kind of legislation, and thinking about the constitutional discussions which are presently ongoing, makes me think a better way to talk about the constitution, other than in a legalistic fashion, is to look at our basic values, the basic objectives of society, and to bring the legal framework into line with them. If we allow this kind of discrimination to continue, then it does not matter what kind of legalistic framework we have for governing the country. What is important is how we govern it, and toward what end.

Discrimination against women cannot continue in our society if we are to have a just and equitable society. We should remind ourselves that probably the most important social movement in Canadian society is the women's movement for equality and justice. Certainly it is the movement which offers the greatest potential for over-all social change, and change for the better in our society.

I am reminded of a study which was recently released in Winnipeg. By the way, this study was funded by the Department of Regional Economic Expansion; it was done locally in that city. It related to poverty in the inner city. It clearly highlighted the fact that the most devastating and blatant poverty is suffered by women in the inner cities, more particularly women of native ancestries. By and large these women are single parents who need the most help and who, under the present Unemployment Insurance Act, are penalized and discriminated against when they attempt to work. It seems to me one way to save the public purse money is to have people working rather than on welfare. If there is any group that could save the public purse money by moving from welfare to work, it is single parents, yet we continue to discriminate against them and to penalize them in their efforts to be a part of the work force.

A further part of this bill which I find very puzzling is the so-called magic ten weeks because of the fact that it is based upon the assumption that we know when a child is to be born. I am a relatively recent parent, a father of two children, and certainly I had no way of knowing when those children were to arrive. Given the best medical advice and the fact that I attended pre-natal classes and was very intimately involved in the process of my children being born, I was totally surprised when my children eventually arrived. It is hard for me to know how a bureaucrat who is very far removed from this situation in any particular family can set a date on the arrival of a child. In other words, this magic ten weeks is in no way magical; it is absurd. Of course it is discriminatory and should be removed.

The other basic underlying philosophy behind the present unemployment insurance regulations is that the unemployed are to blame for being unemployed, that it is because of them we have high unemployment insurance costs. Simply that is not true; it is a myth. The ones who are to blame for very high unemployment and the related high costs, of course are those who are in charge of managing the economy. If we were to direct our attention to better management of the economy, rather than attempting to appear tough with regard to the users of unemployment insurance, then the cost of unemployment would be reduced and the wealth of the nation would be increased. Rather than simple legislation which appears to alleviate problems, we need better management of the economy, and we need a more just approach to the distribution of wealth.

Let me just say, Mr. Speaker, that the principle of this bill is worthy of support. This is something that needs to be done, and, hopefully, it is something the government should allow to be done, and done today.

[*Translation*]

Mrs. Eva Côté (Rimouski): Mr. Speaker, any legislation "to reduce the economic penalties suffered by women", as stated in the explanatory notes of Bill C-205, is quite laudable in my opinion.

It is a fact that the provisions of the unemployment insurance plan as a whole must be constantly reviewed in light of ever changing conditions and recent experience. As everyone is aware, because of past experiences, governments have always made in-depth studies of the basic principles of the unemployment insurance plan before making any important changes. The frequently long and complex process of reviewing plan objectives and operations to make it more flexible and to simplify it is always necessary. One of the general elements of such a review is the examination of all special conditions and benefits.

In the context of such a general review, the government could also look at the problems and the issues surrounding maternity benefits to determine whether they are sufficiently fair and flexible or to see how special benefits, including maternity benefits, function within the framework of the unemployment insurance plan.

Some of the issues dealt with in this bill will certainly be included in any eventual review of the unemployment insurance plan. I am talking about the restrictions concerning the eligibility of pregnant woman for ordinary benefits and of the period during which a pregnant woman can receive maternity benefits. These issues, including the so-called ten-week rule greatly concern the government.

I believe that the basic purpose of this bill is quite laudable. However, Mr. Speaker, I think that my male colleagues have not considered certain subtleties of the Unemployment Insurance Act and regulations. This act and these regulations constitute a series of provisions which are interdependent to a certain extent. Very often one cannot be amended without affecting the other.

For instance, Bill C-205 proposes that conditions for maternity benefits entitlement be the same as those for sickness benefits entitlement. More specifically, a woman would have to prove that, if it were not for her pregnancy, she would be available for work. The idea would be to assimilate maternity benefits with sickness benefits. I must confess, Mr. Speaker, that I find this idea totally unacceptable.

To suggest that maternity benefits should be ruled by the same conditions which apply to sickness benefits implies that pregnancy is a sickness. Which is clearly not the case, as hon. members of the fair sex will recognize readily.

The second point which I should like to raise is not so evident to the non-specialist because of its technical aspect, but it is not less important. Now, a pregnant woman must submit a medical certificate to prove her pregnancy. This certificate must show the expected date of her confinement. Under the current provisions, a woman may choose to begin collecting benefits ahead of the eight-week period before her expected date of delivery.

She does not have to prove she would be available for work during that eight-week period. This is a criterion that applies to anyone claiming sickness benefits. If a pregnant woman had to prove she was available for work, often she could not do so. That would reduce the quietude pregnant women now enjoy to prepare themselves for giving birth. By specifying the same criteria for both maternity and sickness benefits, this bill could complicate things uselessly.

I think that is neither fair nor reasonable. Why make it more difficult to prepare for the birth of a child, which is a privileged and important moment in the life of a woman and, I am convinced, critical for the health of the woman as well as that of the child. Current provisions on maternity benefits are flexible and take those factors in consideration. That is why they must be preserved.

But, Mr. Speaker, it should be understood here that I am not suggesting the eligibility criteria governing maternity benefits should not be reviewed or even amended. What I am saying, however, is that those provisions and others should first be considered more carefully so all other new provisions will be equitable.

Mr. Speaker, this bill touches sensitive and controversial issues, issues that have brought women to exert considerable pressure on the government so it would change what they perceived as inequalities in the current provisions on maternity benefits.

I sincerely hope, Mr. Speaker, this matter will be given all the necessary importance so our unemployment program will be amended so as to allow women to live their lives fully and according to the rights of every individual. So women should have the right to be on the labour market, the right also to stay at home during a pregnancy and to educate their children but at the same time they must have access to an unemployment insurance program that pays them just and fair benefits.

Mr. Speaker, society needs all its individuals but, without any pretention, I would dare say that women are indispensable because you must certainly know the proverb, and I do not know where it comes from, which says: Being unable to look after everything, God created woman."

• (1710)

[*English*]

Mr. Knowles: Mr. Speaker, I wanted to ask a question about Monday's business. I thought that you were calling it five o'clock.

[*Translation*]

Mr. Lachance: Mr. Speaker, with leave, I would like to call it 5.15 o'clock.

[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, may I ask if there is someone left over there who can tell us what the menu will be on Monday?

[*Translation*]

Mr. Lachance: Here I am again, Mr. Speaker. I could say to the hon. House leader of the New Democratic Party (Mr. Knowles) that, in principle, we will continue Committee of the Whole consideration of Bill C-19, to amend the Employment Tax Credit Act.

[*English*]

Mr. Knowles: May I ask the parliamentary secretary a supplementary question? Does the failure of the parliamentary secretary to mention the closure debate for Monday mean that the government has dropped that ridiculous idea?

[*Translation*]

Mr. Lachance: Since the hon. member insists, I can tell him that it is possible, if not probable, that the motion will be introduced on Monday.

The Acting Speaker (Mr. Ethier): Order. The hour provided for the consideration of private members' business has now expired.

It being 5.15 p.m. pursuant to Standing Order 2(1) the House stands adjourned until Monday next at 2 p.m.

At 5.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 9, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

BEST WISHES TO FIRST MINISTERS ON CONSTITUTIONAL REFORM DISCUSSIONS—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, in view of the importance of the events taking place in another part of the city today, I should like to move, seconded by the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Collenette), the following motion under Standing Order 43:

That this House welcomes the provincial first ministers to the national capital, and extends to them and to the Prime Minister its best wishes for productive discussions and a hopeful beginning to the process of constitutional reform.

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

Some hon. Members: Agreed.

Madam Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

HUMAN RIGHTS

DR. C. M. KAO—PLACING IN SOLITARY CONFINEMENT WITHOUT PUBLIC TRIAL—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Given the recent arrest and detention of Dr. C. M. Kao, General Secretary of the Presbyterian Church in Taiwan, who, along with other church officials, has been placed in solitary confinement without public trial, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Government of Canada express its concern about this violation of human rights—the summary arrest and subsequent solitary confinement of Dr. C. M. Kao, General Secretary of the Presbyterian Church in Taiwan—to all Canadian companies transacting business in Taiwan so that they, in turn, may impress upon their trading partners in Taiwan the urgency that Canadians feel for the release of these persons; and that a similar concern be conveyed to those governments which still maintain diplomatic ties with Taiwan, so that Canada's views can be brought directly to the attention of the government of Taiwan.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

PENSION EQUALITY FOR WOMEN—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the subject matter of this motion grows more urgent as time goes on, and I hope this is the day the House will agree to it. I therefore move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House calls on the government to recognize the contribution that women in their homes make to our economy, and as a minimum to recognize this contribution by establishing pension equality, including the equivalent of the Canada Pension Plan for women whose work is in their homes, equal pension rights for all women between the ages of 60 and 65 regardless of marital status, increasing the pensions paid to widows under various government plans to at least 75 per cent, and the continuing payment of pensions granted to widows regardless of any subsequent change in marital status.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

EXAMINATION OF PROPOSED KEMANO II PROJECT IN B.C.—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise on a question of urgent and pressing necessity regarding the proposal of the Aluminum Company of Canada to complete its industrial power generating capacity in British Columbia under an agreement and licence that was issued 30 years ago. I would move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the government be required to exercise its various jurisdictions to ensure that the proposed Kemano II project is examined fully in light of standards which are used currently to evaluate such schemes, rather than those which were

in place 30 years ago, and that a full public inquiry be ordered to examine the clear federal interests in connection with the Kemano II proposal.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

MULTICULTURALISM

CONGRATULATIONS TO CHIN RADIO, TORONTO—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members of this House on a matter of urgent and pressing necessity, under the terms of Standing Order 43.

Taking into account that this weekend marked the fourteenth year of multilingual broadcasts by CHIN radio in metropolitan Toronto, which broadcasts in 32 different languages—the same languages that one hears in my riding of Parkdale-High Park—I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House congratulate and support the efforts of CHIN radio, a truly multicultural institution, for helping to preserve the heritage of minority groups in Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

EMERGENCY PROCEDURE GUIDELINES ON CARRIAGE OF DANGEROUS PRODUCTS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of importance to the citizens of the city of Edmonton.

In view of the fact that there is considerable concern in the industrial and residential areas of southeast Edmonton, which is a highly developed petrochemical transportation and storage centre, that an accident equivalent to, if not worse than, the recent accident in Mississauga may occur in the future, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the Minister of Transport table in this House a policy statement of his department's responsibility regarding emergency procedure guidelines designed to deal with pipeline explosions, tanker car derailments, tanker truck accidents and refinery explosions and fires, to name a few.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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FEDERAL-PROVINCIAL RELATIONS

ALLEGED DETERIORATION IN FEDERAL-PROVINCIAL-TERRITORIAL BUSINESS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I feel almost guilty in bringing this matter to the attention of the House after the motion which was introduced by the hon. member for Nepean-Carleton (Mr. Baker). However, we cannot let them get away with everything.

Under the provisions of Standing Order 43, and in view of the fact that the antagonistic approach of the present government, especially toward the western provinces and the territories, is making it very difficult for normal federal-provincial-territorial business to be transacted at the official level, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Prime Minister be requested to call to heel his baying hound dogs, the ministers of Justice, Finance, and Health and Welfare so that sweetness and light can once again rule federal-provincial affairs just as they did in those enlightened days between June and December, 1979.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

PROTECTION OF FISH HABITAT IN COWICHAN ESTUARY—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the fact that two years ago the Department of Fisheries and Oceans participated in the task force on the Cowichan estuary convened by the province of British Columbia, in view of the fact that, in spite of repeated promises, the report of the task force has not been released, and in view of the threat that proposed industrial expansion poses to fish habitat in the Cowichan estuary, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That the Department of Fisheries and Oceans table its submission to the Cowichan estuary task force, and take immediate steps to assure the people of British Columbia that it will protect the Cowichan estuary and its potential as fish habitat.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

STEPS TO PREVENT POLLUTION OF RIVERS—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Canadians from every part of this country are blessed with the existence of thousands of clean and unpolluted rivers, whereas such rivers are every day threatened with contamination by toxic substances and other pollutants, and whereas no national policy exists to ensure a minimum standard of cleanliness for the rivers of Canada, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House requests the Minister of the Environment to contact each of his provincial counterparts with the purpose of establishing a permanent federal-provincial committee under the authority of the Canadian Council of Resource and Environmental Ministers which would have the responsibility of establishing, on a national scale, a uniform standard of cleanliness of rivers, of maintaining a registry of clean rivers, and of advising provincial governments when pollution of a river reaches a level below this standard, in order to ensure that future generations of Canadians will always have the benefit of clean and unpolluted rivers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

AIRPORTS

VICTORIA, B.C.—INSTALLATION OF RADAR—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise, under the provisions of Standing Order 43, and request the unanimous consent of the House to put a motion on a matter of urgent and pressing necessity to all Canadians flying to Victoria.

Since Victoria is the only provincial capital in Canada that is not provided with radar, and given the great increase in traffic at that airport over the past few years, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House urge the government, when priorizing the various projects being considered for Victoria international airport, to place the installation of radar at that airport at the very top of the list.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

HYDROELECTRIC POWER—EXAMINATION OF ALCAN PROJECT IN B.C.

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, in the absence of the Minister of the Environment I will direct my question to the Deputy Prime Minister.

The Aluminum Company of Canada remains determined to embark upon the second phase of its Kemano hydroelectric development project in central British Columbia, a program which will cause devastating ecological and environmental damage over a wide area. On April 28 the minister informed this House that he had the assurance of the province of British Columbia that this program would not be proceeded with until a full public inquiry had been held.

At that time, Madam Speaker, I urged that the minister go to British Columbia to see for himself exactly what would happen. I now urge that he remain behind, because if he should go he will come back in a Glad bag.

Some hon. Members: Oh, oh!

Mr. McCuish: In light of Premier Bennett's recent announcement that Alcan has a contractual right to proceed whenever it wants, with or without a public hearing—

Some hon. Members: Order.

Some hon. Members: Question.

Madam Speaker: Order, please. Could the hon. member put his question right away, please.

Mr. Clark: He is being shouted down, Madam Speaker.

Mr. McCuish: Would the Deputy Prime Minister now inform this House that, in light of the indifference of his minister and in light of the attitude of the province of British Columbia, he will take the necessary steps to protect the 200,000 people in central British Columbia?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker, we are aware of the situation to which the hon. member has made reference. Yes, in response to his direct question, we are concerned about the

welfare of the 200,000 people he mentioned; and yes, we will take his representation under advisement, as the minister assured the House we would last week.

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INDIAN AFFAIRS

ALCAN PROJECT IN B.C.—DETRIMENTAL EFFECT ON INDIAN LANDS

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, my supplementary question is to the Minister of Indian Affairs and Northern Development. I wonder if he is in the House.

An hon. Member: None of them is present; this is Monday.

Mr. McCuish: In that case, I shall again direct my question to the Deputy Prime Minister. As Kemano completion will cause flooding of Indian lands and will adversely affect aboriginal fishing rights and game habitats, is the minister consulting with Indian leaders, and is he prepared to intervene to compensate for the weakness of his colleague in the Ministry of the Environment?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I shall draw the hon. member's representations to the attention of the Minister of Indian Affairs and Northern Development. As the hon. member knows, the minister is in contact with the Indian leaders of this country on a regular and constant basis, and he has their welfare very much at heart.

* * *

● (1420)

FISHERIES

ALCAN PROJECT IN B.C.—EXAMINATION OF POLLUTION THEREFROM

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I wish to follow up the subject raised by my colleague, the hon. member for Prince George-Bulkley Valley. The concern he has voiced cannot be overemphasized. This scheme, as it is proposed right now by the Aluminum Company of Canada, will divert the waters from major spawning grounds of coastal and inland fish species, and will result in untold ecological consequences over the entire area of central and northern British Columbia.

Therefore, my question to the Minister of Fisheries and Oceans or, in his absence, to the next man down the totem pole, is this.

Mr. Crosbie: You are pretty low now.

Some hon. Members: Oh, oh!

Mr. Greenaway: Can the minister give the House an assurance that before the further damming of any rivers in B.C. by the Aluminum Company of Canada is permitted, he will exercise his clearcut jurisdiction in assessing the project, not in the light of guidelines that existed 30 years ago but in today's context?

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, the Minister of Fisheries and Oceans stated last week, before the committee on fisheries, that he would investigate this whole question to see where his authority lies, and that he would impose that authority if the situation warranted it.

Mr. Greenaway: Madam Speaker, I would like to remind the minister that he has the clearcut legal right to stop this development. Is the minister now prepared to call for a federal inquiry which would permit public input, or is he prepared to allow the Aluminum Company of Canada to proceed regardless of the consequences?

Mr. Henderson: Madam Speaker, the minister also stated at the same committee meeting that he would favour a public inquiry into the situation.

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AGRICULTURE

DROUGHT CONDITIONS IN WESTERN CANADA—GOVERNMENT ACTION TO ALLEVIATE—SHORTAGE OF FEED

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I would like to address my question, in the absence of the Minister of Agriculture and the minister for economic development, to the acting prime minister. Each weekend as I return to my home in western Canada I see the crop conditions further deteriorating. They have been holding their own, but in spite of the cool weather this past week they are beginning to turn yellow, wither and die.

In view of this very serious problem that has been developing, can the minister tell us when we can expect an announcement from this government with regard to co-operation with the provinces to look after the drought situation?

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I should like to reply to the hon. member that recently I went to a western province. I met with the director of PFRA there three times. A group of ministers of the government also visited the area. I should like to point out that I do not know of any government of the prairie provinces complaining in any way about lack of co-operation from the federal government in that regard.

I signed an agreement a week ago with the resource and finance ministers of Manitoba about the problem of drought. Last week the cabinet also approved a series of new measures which will have to be implemented immediately, and a minister of the western area was made responsible for monitoring

this new set of measures aimed at dealing with this very critical and very disturbing matter.

[*English*]

Mr. Althouse: Madam Speaker, the answer was that a minister has been appointed. The concern of the people in the west is that we have not heard who has been appointed. We have not heard what kind of programs are being proposed. We were told that there was to be an announcement on Thursday. There was no reason given as to why the announcement was not made.

There is a great deal of concern in western Canada and in this House as to just what these proposals are. When will we be hearing the details of them? It is fine to know they are being considered and discussed, but what are the details?

● (1425)

Mr. De Bané: Madam Speaker, I can assure the hon. member that the series of measures will be announced this week.

Mr. Althouse: Madam Speaker, I would like to direct my final supplementary to the Minister of Transport, who also speaks for the Wheat Board.

Mr. Epp: He does?

Mr. Althouse: Feed supplies are extremely short in the whole western region of North America. Montana producers are looking north for feed supplies. British Columbia hay producers are concerned that their hay will not be fit to eat because of volcanic ash. In short, the sources of supply are diminished more than just as a result of the drought.

What commitment can we have from the minister, the government and the Wheat Board with regard to maintaining initial prices for feed grains and for grains at the current year level, so that producers will be encouraged to keep their grains on the farm instead of trying to get them out before the price drops and the new crop year begins? Can the minister advise when an announcement will be made?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my information is that the Wheat Board is trying to keep a very delicate balance between the interests of stability of exports and the requirements of the Canadian domestic situation. They are not making new sales, and they are monitoring the situation as well as they can. This is a very difficult set of circumstances.

With respect to initial prices, the Minister of State responsible for the Wheat Board said, on May 26, that he would review the situation before the end of the crop year. In a letter which he recently addressed to the hon. member for Prince Albert, he indicated he might do so in June.

Oral Questions

CONSUMER AND CORPORATE AFFAIRS

AMENDMENTS TO LEGISLATION TO ASSIST CREDIT UNIONS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I wish to address a question to the Minister of Consumer and Corporate Affairs. It arises out of the many requests I have received and, I presume, members on both sides of the House have received with respect to the new amendments to the Small Loans Act.

As the minister is aware, credit unions across this country are not able to lend money at over 12 per cent? Will legislation be brought forward soon to change this and give the credit unions a break along with the chartered banks, which do not need it nearly as much?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the options that are now open to the government range from the revision of this act to minor amendments. There has been no final decision yet. We are studying the matter within an interdepartment committee, and as soon as a decision it reached, I shall be pleased to inform the House.

[*English*]

Mr. Darling: Madam Speaker, I appreciate the minister's comments, but I would assume that a simple amendment could be brought forward, or a simple bill, without the legal gobbledygook and jargon stating that they can lend money at over 12 per cent. Can the minister give a commitment that this will be done before the long, hot summer recess?

Mr. Baker (Nepean-Carleton): What recess?

[*Translation*]

Mr. Ouellet: I am pleased to see how strongly the hon. member is expressing his hopes that a bill be adopted to solve the problems outlined. I just hope that when I introduce the bill, he will work as strenuously at convincing his colleagues on the other side of the House to give the bill speedy passage.

* * *

[*English*]

AIR TRANSPORT

ENGINE FAILURES ON AIR CANADA AIRCRAFT—CALL FOR INQUIRY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Transport. In Los Angeles this past weekend an engine of an Air Canada L-1011 caught fire on take-off and the passengers had to be evacuated. This is the second such Air Canada incident in Los Angeles in the past year. Also, this past weekend three engines failed on an Air Canada 747. Will the minister contact the president of Air Canada and request a complete and detailed inquiry into these incidents, especially since at the Justice Dubin air safety inquiry witnesses stated that Air Canada has been operating

for eight years without a review of routine maintenance procedures?

● (1430)

Hon. Jean-Luc Pepin (Minister of Transport): I have had a report on both these incidents and they are presently being investigated by the Department of Transport. I will report further when the results are available to me.

Mr. McKenzie: At the Justice Dubin air safety inquiry, Transport Canada civil aviation inspectors stated that Canada's air safety monitoring system was "in a shambles". Since the Dubin inquiry will not be completed until October, 1980, will the minister launch an immediate investigation and, further, request pilot training in Canada for landing 747s on one engine? Finally, I think we should ask the minister to relay our congratulations to the pilot and his crew for a job well done.

Some hon. Members: Hear, hear!

Mr. Pepin: I will relay the hon. member's compliments to the pilot. As to the meat of the question, this was exactly the purpose of the creation of the Dubin commission. I would think the judge would be quite annoyed if I were to set up another commission to do the work he is supposed to do. He is doing it very well, I believe, at this time.

* * *

HOUSING

PROGRAMS TO ENCOURAGE CONSTRUCTION OF FAMILY UNITS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is to the minister responsible for Canada Mortgage and Housing Corporation. According to press reports this past weekend, the minister has apparently promised aid to the construction industry rather than to home owners and tenants who are suffering very much as a result of the housing crisis.

Will the minister assure us that he will not repeat the mistakes of his predecessors by reintroducing tax shelters similar to the ARP-MURB program, the assisted rental program, which subsidized developers and encouraged them to build luxury bachelor suites, destroyed family housing and resulted in a net loss of rental units for low income families?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am happy to tell the hon. member that the two programs the government intends to present, which will be modifications of existing programs, will not only benefit existing home owners or tenants but will be of some help to people first coming into the market, as well as of some help to the industry generally. But they would constitute a modest intervention by CMHC at this time, bearing in mind the problems about which the Minister of Finance has cautioned the House.

Mrs. Mitchell: Is the minister aware of a number of reports, including one from the Canadian Council on Social Development, which proved beyond a doubt that past programs such as capital cost allowances of the kind which I presume he is proposing have cost taxpayers approximately $65 million a year, while making possible huge profits for developers?

Since non-profit housing creates just as many jobs in our economy, will the minister increase the funding for affordable, non-profit housing instead of providing these tax rip-offs for developers, encouraging them to build high-cost housing which we do not need?

Mr. Cosgrove: I am confident the hon. member opposite will be very pleased with the announcement the government will be making shortly. It will represent modest help to the industry, renters and present home owners, though certainly it will not be on the scale of the many millions of dollars the hon. member has mentioned. It will be a modest program.

* * *

SPORTS

HOLDING OF NATIONAL TRIALS—RECOGNITION BY GOVERNMENT

Mr. Joe Reid (St. Catharines): Madam Speaker, my question would have been directed to the minister responsible for amateur sport, but in his absence and in the absence of the parliamentary secretary to that minister I will direct it to the Deputy Prime Minister. The question arises from a recent indication by a representative of one of our national sport federations that national trials would be cancelled, in spite of the recent announcement by the responsible minister that $1.5 million would become available for quality competition among Canadian athletes, which presupposes a declaration of national champions.

Will the Deputy Prime Minister now tell us whether or not the national associations or governing bodies of amateur sports in Canada will proceed through Olympic trials to a declaration of national champions and, should such national champions be declared, whether they will be appropriately recognized by the government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I regret I cannot give the hon. member the information he requires, but I will make inquiries and ensure he has it by the earliest possible date.

* * *

CANADIAN WHEAT BOARD

JURISDICTION OVER FLAX AND RAPESEED

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question for the Minister of Transport, who is also responsible to the House for the Canadian Wheat Board. As the minister knows, the Wheat Board does not now have complete control over flax and rape. Is he aware of any move by the board to assume more complete control, and thus

tighten up the system? If he is, I should like to know what his attitude toward a tightening up of the system would be.

Hon. Jean-Luc Pepin (Minister of Transport): I am not aware of any change with respect to the grains coming under the jurisdiction of the Wheat Board.

Mr. Mayer: The minister did not tell us what his attitude would be toward such a move were it to come. My supplementary was intended for the Minister of Industry, Trade and Commerce. In his absence, I would ask the Minister of Transport or the Parliamentary Secretary to the Minister of Industry, Trade and Commerce whether they are aware of any move in the department, specifically by the officials in his department, the grains group which is currently studying a feasibility report on whether the Wheat Board should take over more complete control of the marketing of rape. I would also like an assurance that when this study is completed—if, indeed, it is under way—a report will be made available to the House.

Mr. Pepin: There is, of course, a running debate on this matter, in the west particularly. I would think the Government of Canada would not express views on this subject unless it was intended to change the present situation. I do not believe that one Minister of Transport or one Minister of Industry, Trade and Commerce could simply make commentaries on these matters. If there is a decision to be made, it will be made and announced as such, not as a simple reflection on the matter.

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PARKS CANADA

GRIEVANCES OF CORNWALL EMPLOYEES—GOVERNMENT CONSIDERATION THEREOF

Mr. Bill Domm (Peterborough): Madam Speaker, we heard a lot of talk last week about the enormous amount of sympathy and compassion shown by the government toward civil servants. My question is addressed to the President of the Treasury Board.

In light of the petition which was presented to the House on Wednesday of last week from the employees of the Parks Canada office in Cornwall, and in light of the mass grievance placed before the Civil Service Alliance by those employees over the cancellation of the move to Peterborough, would the President of the Treasury Board agree, before any further cheques are paid out to the employees of Parks Canada in connection with the cancellation of that move, to meet with them in order to resolve present differences and permit a return to a good esprit de corps and a feeling of high morale among the employees of Parks Canada in Cornwall? Would the minister meet with these employees before any further cheques are issued?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am always ready to meet with people who have a just cause to plead with the government of the day. I believe the minister in charge of Parks Canada answered those questions quite adequately last week.

Mr. Domm: I should like to direct my supplementary question to the Deputy Prime Minister. It is on the same subject and it is one which has never been answered. When the regional office in Cornwall was divided, half went to Quebec and half was to go to central Ontario.

● (1440)

Would the Deputy Prime Minister agree to look into what is best for Ontario and what is best for Parks Canada in Ontario? If Quebec is best served in Quebec by having the regional office moved from Cornwall to Quebec City, would Ontario not be best served if the regional office of Parks Canada were located in central Ontario, where the minister's government proposed in the first place it be located?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will make sure that the views and the questions of the hon. member are drawn to the attention of the minister. I will draw to the minister's attention particularly the interest of the hon. member in ensuring that the province of Ontario is well served and its interests are looked after. I share the hon. member's aspirations in that respect as well.

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REGIONAL ECONOMIC EXPANSION

DENIAL OF DREE GRANT TO MAGDALEN ISLANDS SALT MINING CORPORATION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Regional Economic Expansion. On Friday last the minister indicated, in denying an application for a DREE grant from Magdalen Islands Salt Mining Corporation, that at least in part the reason for the denial was that there was an unused capacity within the industry in other parts of the country and that he intended to introduce some other economic beneficial programs for the area.

Can the minister tell the House why that same rationale was not applied in the case of the Michelin grant, given that assistance to Sydney Steel and/or the Cape Breton Development Corporation could and would have produced more jobs, more economic development and, in fact, could have saved energy on the east coast?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, with regard to Magdalen Islands, as the hon. member said, I could not give a grant to that mine because already the mines we have in Nova Scotia and Ontario have a capacity which exceeds the consumption of eastern Canada. What about other projects in Nova Scotia? Of course we will be helping other projects in Nova Scotia.

As for the tire industry, as the hon. member knows—and we have talked about it at length together—there is a major

structural shift in North America in the tire industry. At the beginning of the seventies, radial tires represented 1 per cent of the market. Today they represent more than 60 per cent. That structural shift is happening all over North America, and I think nobody can avoid that change in the market.

Mr. Deans: Madam Speaker, my supplementary question is to the Minister of Finance. Surely it is understood by the government that, just as there is unused capacity in the mining of salt, there is also unused capacity in the production of tires. What would the Minister of Finance say to employees in other parts of the country working in the tire industry if they asked him why they should subsidize Michelin not only with their taxes but also with their jobs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am pleased that the hon. member raised the question of Michelin, because the grant that is made available to Michelin is made available because the plant is located in an area of slow growth. Any manufacturer in any other area of slow growth in Canada—which includes a large part of Quebec, many parts of Ontario and other provinces—would be eligible for the same consideration as the Michelin plant in Nova Scotia was.

I say in reply—and I think the hon. member will at least want to have it clarified—that if there is, as the Minister of Regional Economic Expansion has explained, a change in the market and the plant that is to be located in Nova Scotia is to produce a product which has a rapid future growth, it is not the fault of the department or the government that consumers have changed very drastically their preferences with respect to purchasing tires on not only the Canadian market but the export market as well.

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CULTURAL AFFAIRS

VANCOUVER ART GALLERY—FINANCIAL ASSISTANCE THEREFOR

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is to the Deputy Prime Minister. Last Friday, the hon. member for Vancouver South was asking the Secretary of State about financial help to the Vancouver art gallery and he was told by the Minister of the Environment, speaking on behalf of the Secretary of State, that that would be somewhat contingent upon federal entry into the lottery program.

I would like to ask the Deputy Prime Minister if it is now government policy that legitimate help to legitimate artistic communities is dependent on federal entry into gambling.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if the hon. member sincerely wants a response to that question, I am quite happy to say that the answer is no to the question put in that way.

Mr. Friesen: That is very interesting, Madam Speaker. Since all studies indicate that lottery programs are supported most by people with lower incomes, and art galleries are supported mostly by people with middle and higher incomes, and given the fact that the Minister of the Environment indicates that it is contingent upon gambling, is it now government policy that lower income people should support higher income people in their programs?

Mr. MacEachen: Madam Speaker, I am satisfied in my own mind that the hon. member is not quoting accurately the words of the minister to whom he refers in his question. The policy to which my hon. friend refers is not a Liberal policy. It was a policy which was found in the budget we defeated last December.

Some hon. Members: Hear, hear!

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CANADIAN TRANSPORT COMMISSION

CALM AIR INTERNATIONAL—REQUEST FOR REVIEW OF COMMISSION'S DECISION—PUBLIC HEARING

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is to the Minister of Transport. The people of the Keewatin district were denied direct participation through public hearings when the Canadian Transport Commission made a unilateral decision in the selection of an air carrier for that region.

Would the minister agree to review that CTC decision with regard to Calm Air International's operations in the Keewatin District, and make arrangements to hold public hearings in order that all views on the subject of appropriate air service can be heard and taken into account?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are procedures for appealing decisions of the CTC either to the Minister of Transport or to the cabinet as a whole, and these ways and means are open to any person affected by a decision of the CTC.

Mr. Ittinuar: Madam Speaker, that CTC decision was made in a fast manner because the commissioner who was responsible was moving on to the Railway Transportation Commission; he wanted to get rid of that decision so that he could move on into the Railway Transportation Commission. The decision has resulted in additional costs to already exorbitant transportation and freight prices, which are some 200 per cent in excess of southern prices because of lack of competition.

Will the minister, in conjunction with a review of the Arctic airport facilities policy, ensure that all decisions related to and with regard to the selection of air carriers in the north will be bilateral through public hearings?

Mr. Pepin: It is my understanding that decisions made by the Canadian Transport Commission are made after public

inquiries, but it may be that this case was an exception. I will meet my hon. friend later and we will discuss it further.

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NUCLEAR POWER

MORATORIUM ON CONSTRUCTION OF GENERATION PLANTS ON VANCOUVER ISLAND—REPRESENTATIONS TO GOVERNMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources. As the minister no doubt knows, the government of British Columbia announced a moratorium on the construction of nuclear power generation plants on Vancouver Island.

Can the minister tell us whether, prior to making that announcement, the provincial government in British Columbia made representations to the central government complaining about the failure of the central government to provide Candu safety measures or to assure that the safety measures were satisfactory?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I know of no representation from the government of British Columbia to the national government in this respect.

Mr. Munro (Esquimalt-Saanich): Has the minister made any inquiries? Has he been able to determine whether it is the nuclear waste disposal problem which is causing the provincial government to hesitate in this area?

Mr. Lalonde: Madam Speaker, I regret to inform the hon. member that I have no particular information as to the reasons that motivated the British Columbia government in its decision. I expect to meet with my provincial colleague in a very short while, and I will take that opportunity to raise with him the point raised by my hon. friend.

* * *

● (1450)

CANADIAN CONSULTATIVE COUNCIL ON MULTICULTURALISM

MEMBERSHIP OF COUNCIL—APPOINTMENT OF PRESIDENT—ADVERTISING IN ETHNIC PRESS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I should like to direct my question to the Minister of State (Multiculturalism). Would the minister advise the House whether he has filled the position of president of CCCM, the Canadian Consultative Council on Multiculturalism, and if he intends to keep the membership in the CCCM at 100?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I am delighted to see my good friend back after a long illness; and after 12 weeks I am glad to get a question on multiculturalism.

Some hon. Members: Hear, hear!

Mr. Fleming: I was very sad that the former chairman of the CCCM, a distinguished Canadian appointed by my predecessor, the hon. member who posed the question, Mr. Norm Kwong, was unable to continue in that post for business reasons. But I have pleasure in telling my friend that I have appointed Mr. Lawrence Decore of Edmonton, of Ukrainian heritage and a former chairman of the Alberta Heritage Council, as the new chairman of the CCCM.

On the issue of membership, previous CCCMs have recommended a reduction in the size of the council to make it more effective. I am giving that matter serious consideration.

Mr. Clark: Another Grit at the trough.

Mr. Paproski: Madam Speaker, I have a supplementary question for the minister. In view of the fact that his colleague, the Solicitor General, the hon. member for York Centre, was a consistent complainer when the ethnic press was not receiving advertising moneys, what is the minister planning to do with regard to this particular problem with the ethnic press? How much money has the minister spent on ethnic advertising since February 18?

Mr. Fleming: Madam Speaker, I think the hon. member leaves himself open a little because, of course, the previous government put a freeze on ethnic advertising. That freeze has been removed, and ads will be run.

Mr. Epp: There is no ethnic advertising.

Mr. Fleming: I have a concern that that budget should not simply be for the ethnic press, but that in fact my multiculturalism budget should be directed toward the English and French language general press so that there is a better understanding of multiculturalism in Canada. In turn, because in another capacity I have responsibility generally for Government of Canada advertising, I hope to be able to set a more professional criteria for the ethnic press and at that point assure them that they will get their fair share of advertising.

* * *

ENERGY

PROCESSING OF RESOURCES NEAR SOURCE—POSSIBLE RELOCATION OF SARNIA COMPLEX

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. On Friday last the minister reaffirmed government policy whereby public funds would be used to transfer industrial plant so that resources can be processed near their source. When will the government be announcing the movement of the entire Sarnia complex to Alberta so that these millions of barrels of oil can be processed near their source?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my hon. friend has an interesting suggestion, but he will remember that the decision concerning the Eldorado refinery concerned a planned or projected installation, not one that existed at the time. So it was a new plant that was being planned.

* * *

EXTERNAL AFFAIRS

FOREIGN POLICY OF UNITED STATES—STATEMENT OF MINISTER

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Secretary of State for External Affairs. I should like to know from the minister what facts drove him to the conclusion that there was inadequate leadership in the area of foreign policy in the United States. Would he list those facts, please?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, tomorrow I will be appearing before the parliamentary committee, and we will have lots of chance to explore my views and their views on the present state of Canadian-United States relations.

Mr. Speyer: Madam Speaker, that is totally inadequate. I ask the minister, please, to enumerate some of the facts, which we are entitled to hear in this House, which drove him to the conclusion that there was inadequate leadership in the United States in foreign policy areas. Please tell us.

Mr. MacGuigan: Madam Speaker, I believe my statement speaks for itself.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

CANADIAN HOME INSULATION PROGRAM

NUMBER OF GRANTS MADE UNDER PROGRAM

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Labour who is responsible for the CHIP program. A constituent of mine received a nice note from the minister the other day thanking him for participating in the CHIP program, with a nice cheque for about $380. The only problem is that he did not receive any insulation. My question to the minister is, how many such cheques have been sent out? Is this the reason the program keeps running out of money?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have responsibility for the Ministry of Public Works, the Canada Mortgage and Housing Corporation, the National Capital Commission, but not the Ministry of Labour. I believe the CHIP program comes under the corporation's responsibility. I am sure the corporation would be very happy to have that cheque back, because indeed we are pressed. It is a popular program, but it has some problems on which we are presently working.

Mr. McDermid: Madam Speaker, I would be happy to inform the minister that my honest constituent sent the cheque back immediately. The minister admitted in the House weeks ago that the administration of this particular program is completely inadequate. When will he smarten it up?

Mr. Cosgrove: Madam Speaker, I am happy to refer to an article which appeared in *The Globe and Mail* today—I am sure the hon. member would be pleased to see the article—referring to the steps that the Canadian General Standards Board in Ottawa has taken to bring some standardization to the delivery of the program into the marketplace and, second, the plans by the corporation to consider having any contractor under the program designated as the contractor recognized by the corporation. With these two steps, which we hope to be in place by July, we think that some of the administrative problems—of course, not totally the responsibility of CMHC—will be ironed out.

* * *

ENERGY

CANADIAN MONEY AND EXPERTISE FLOWING INTO UNITED STATES

Mr. John Thomson (Calgary South): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Is the minister aware of the substantial sums of money and technical expertise which are flowing to the United States from Canadian oil and gas producers as a result of the difference in the crude oil price they receive in the United States as compared to that in Canada?

The minister may be aware that crude oil discovered in the United States nets $32 per barrel to the producer, compared to the price of $7 per barrel for that oil discovererd in Canada. If the minister is aware of this condition, what steps does he intend to take to encourage Canadian explorers to stay and search for oil in Canada?

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, indeed I am aware of some movements that have taken place for a variety of reasons. As the hon. member knows, those movements have taken place historically over the years between our two countries.

Some hon. Members: Oh, oh!

Mr. Lalonde: As to the differences to which the hon. member referred, indeed they are real. But one must also realize, as I am sure the hon. member knows, that there are other factors in the United States that make that cost—the net cost to the producer—less than it appears at first sight.

I am discussing with the producing provinces, particularly the government of Alberta, the elements of a new pricing arrangement which I hope will be satisfactory to all concerned. As the hon. member knows, if the producer gets only $7 back at the present time, the price nonetheless to the consumer is $15—$14.75 to be exact—and most of the difference between $7 and $14 goes to the governments of the producing provinces, particularly the government of Alberta.

* * *

RAILWAYS

RETENTION OF BRANCH LINES FOR ELEVATOR COMPANIES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Minister of Transport. Since the previous Conservative government ignored many of the branch lines which are important to the west, could the minister consider placing into the basic network those branch lines in the west which grain elevator companies have said they wish to service?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the way I see it, the willingness of a company to serve a branch line would be one of the factors—obviously, a very important one, otherwise we would not have a branch line—in the decision to rehabilitate one.

● (1500)

Offhand, I can think of a number of other factors. There would be the cost of rehabilitation, the cost of maintaining it after rehabilitation, the level of the subsidy, and there would be the total volume on the branch line, the availability of alternative routes. There would be a number of other factors to be borne in mind, and presumably that was done by Hall and PRAC when they identified some of these branch lines for rehabilitation.

ROUTINE PROCEEDINGS

[*Translation*]

PETITION

REQUEST FOR CONTINUATION IN SERVICE OF "SAMSON V" STERN WHEELER

Madam Speaker: I have the honour to inform the House that the Deputy Clerk of the House has laid on the Table the seventh report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for New Westminster-Coquitlam (Miss Jewett) and finds that it meets the requirements of the Standing Orders as to form.

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OFFICIAL LANGUAGES COMMISSIONER

APPOINTMENT OF SPECIAL JOINT COMMITTEE TO STUDY REPORT

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there have been consultations and I think there is unanimous consent so that the following motion can be proposed and passed. The motion deals with the membership of the joint committee set up to study the report of the Commissioner of Official Languages. The motion is as follows, Madam Speaker, and with the consent of the House, I would like to move, seconded by the Minister of State (Finance) (Mr. Bussières):

That the following members do represent this House at the Special Joint Committee of the Senate and of the House of Commons appointed to consider the reports of the Commissioner for Official Languages: Messrs. Beatty (Wellington-Dufferin-Simcoe), Corbin, Gauthier, Herbert, Joyal, Kilgour, La Salle, Nystrom and Stollery; and

That a message be sent to the Senate informing honourable senators of this decision.

Madam Speaker: The House has heard the suggestion made by the President of the Privy Council (Mr. Pinard). Is there unanimous consent?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR SECOND READING OF BILL C-30

Hon. Yvon Pinard (President of the Privy Council) moved:

That in relation to Bill C-30, an act to provide for supplementary borrowing authority for the fiscal year 1980-81, one sitting day shall be allotted to the further consideration of second reading stage of the bill; and that at 15 minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of second reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

Madam Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Pinard: Madam Speaker, my understanding is that the motion may now be debated. I would like to make a few brief comments on the subject. Madam Speaker, I think that the fact that we have waited so long to introduce the motion is evidence that the government has been quite generous toward the opposition and I will show how patient it has been in a few

moments. A few seconds ago I heard the right hon. Leader of the Opposition (Mr. Clark) tell me: "Try to defend closure".

I should remind him and he knows quite well that the procedure now applied is not closure but a limitation of the debate. If the Leader of the Opposition wants to refer to our rules, he will note, Madam Speaker, if he carefully reads SO 33 that closure is imposed when an additional day of debate is required so that all questions will be put at 1 a.m. Such a procedure has seldom been used in the past even if it had been warranted, considering the behaviour of the official opposition. Anyway, we are not resorting to closure today but to the limitation of the debate, as provided for under SO 75C and, for explanation purposes, I think it is important to indicate under which circumstances these provisions are invoked.

Madam Speaker, people are aware that a bill must go through various stages before being adopted. When it is introduced for first reading there is no debate. The purpose is to have the bill printed. I feel that the public at large should know that. When the government decides later to call the second stage of the bill, the debate is on the principle of the bill, and once the principle has been adopted on division or with the unanimous support of all parties, the bill can, at a later stage, be examined in detail either by a standing committee or a committee of the whole, depending on the nature of the bill, one clause after the other, and it can be amended and then reported.

There is another stage during which a bill continues to be studied after second reading and the study in committee, and it is the report stage, and, as though that were not enough, Madam Speaker, there is still another stage at which the bill can be considered by all hon. members, and that is called third reading. So it is important at this time that the public at large watching us on television or otherwise following our proceedings in newspapers or from the gallery, know that the motion introduced today is moved not at the final stage but rather at second reading, a preliminary stage where it is the principle of the bill that is being discussed.

Before being able and allowed to ask the House to limit the debate at this stage to a given number of hours or additional days, there is an obligation for us, on the government side, to hold consultations beforehand with opposition parties, and the rule involved in such a case is paragraph A of Standing Order 75. Since this motion is moved under Standing Order 75C, it stands to reason that we also have Standing Orders 75A and 75B. So, Madam Speaker, before using SO 75C, we tried to apply SO 75A. What does this rule say? Under that Standing Order we ask the official spokesmen for the various parties in the House to have a meeting and discuss whether it is possible to reach an agreement on a set period of additional time to conclude discussion of a bill at one stage. I would like to point out that in the present case, I had this required meeting and discussion with my hon. colleagues and leaders of opposition parties, and unfortunately in this case, contrary to several other instance; in the past where we reached understanding and agreement, in this particular case, for reasons that are known to them, we could not reach agreement on a given period of time before concluding the debate on second reading.

So we must turn to 75B, which says that lacking an agreement between all parties, a majority of parties could conclude an agreement to allow for a fixed period of time in which to conclude the debate on a given stage of a bill.

And unfortunately there was not a majority of the parties which agreed to limit debate on Bill C-30 at second reading stage. Consequently it was only after these two formalities were completed that the government could apply Standing Order 75C which makes it mandatory to give advance notice—which we did last week—of our intention to move the motion today, what we are doing now, a motion which is debatable for a period of two hours and according to which, as members can see for themselves, an additional day will be provided if the motion is passed by the House regarding the second reading stage of Bill C-30. What we are now doing is to debate this motion under Standing Order 75C, a motion of which notice was given last week and which is intended, in the absence of an agreement after negotiations between the parties, to put an end to the second reading stage of Bill C-30.

As we very well know, Madam Speaker, this legislation can be discussed in committee, also at the report stage, if needed, and further on third reading. So in no way is this closure, nor muzzling the opposition. So much less that we did not decide on this at the outset, when this bill that is quite simple was introduced. Quite the opposite, we waited until the legislation had been discussed much too long on second reading. We waited until five debating days had gone on, or almost, because the first day was very limited. So to be honest, it was four debating days. However, we computed the total time used by hon. members up till now on second reading. According to the research I had undertaken already eleven hours and 47 minutes have been used on the government's time, on the time of the House to discuss one bill, and this is quite abnormal, improper and totally unacceptable.

As I said, Madam Speaker, we are at the second reading stage, and at this point almost twelve hours' debating time have been used on the principle of the bill to discuss nearly every matter but the principle of Bill C-30 itself.

As you may recall, Madam Speaker, the legislation was introduced by the Minister of Finance (Mr. MacEachen). He did this at the end of the evening, he spoke for five minutes and very clearly explained the principle of the bill, and in my view his remarks were complete, concise and quite adequate to explain what the bill is all about. The Minister of Finance deemed fit to use five minutes, and this was quite adequate.

He was followed by the official opposition critic, the hon. member for St. John's West (Mr. Crosbie), the previous minister of finance and he took a whole hour and 37 minutes, Madam Speaker, a considerable, unjustifiable and unaccept-

able amount of time to talk about the principle of Bill C-30 on second reading.

Madam Speaker, there are 282 members of the House. These are the 1980s, a time when more legislation, coupled with a reshuffling of the electoral ridings and an increase in population have raised the number of members proportionally or just about. We are already 282 members and the standing order limiting speeches has not yet been amended. For second reading, it provides forty minutes, an unreasonable time in 1980, except that the first speaker following the mover of the motion is entitled to forty minutes; in this case, it was the hon. member for St. John's West who, not satisfied with using outdated Standing Orders and, therefore, with using forty minutes, which is somehow inappropriate in 1980, given the large number of members in the House, he nevertheless took one hour and 37 minutes of the time of the House, of the time of Canadian legislators, to speak only to the principle of this bill, and this at only one stage of the bill. I say this is an injustice, it is unacceptable and it explains the measure currently taken by the government simply to limit the debate on second reading of this bill so that it can be studied sooner in committee to give other members a chance to have the floor to express their views.

Madam Speaker, we have here a striking example of an abuse of the Standing Orders. We have here a striking example of the need to change as soon as possible at least the orders dealing with the length of speeches in the House. We have talked about it many times since the beginning of this session and we will hear a lot more about it. I do hope we will be able to do something very soon about it because some hon. members do not show reasonable restraint as our colleagues in England do, even though there is no written rule to limit the length of speeches, and where civilized people very seldom exceed ten minutes, out of respect for their colleagues and to give them the opportunity to express their views on any legislation. Here, when someone uses one hour and 37 minutes in a second reading debate, I say that is unacceptable and that the government is—

Madam Speaker: Order, please.

• (1510)

[*English*]

Hon. John C. Crosbie (St. John's West): Madam Speaker, had the Minister of Finance (Mr. MacEachen), who opened debate on this bill, spoken for a decent length of time and given us some information and a promise as to when he will bring in a budget, then this debate would not still be going on. We are not going to be forced into accepting this legislation now or ever until this government gives us a date for a budget and tells us what its economic and financial approach is going to be to the problems of Canada.

It was six months ago that the Minister of Finance claimed credit for authoring the defeat of our budget on December 13. Six months later and after three months in office, the Liberals cannot indicate to the people of Canada what their economic and financial solutions are or what approach they will take to governing this country. Investors do not know what their position is, and neither do the people. They have heard rumour after rumour and suggestions of tax increases.

The same group which was complaining last fall because we intended to introduce an excise tax on gasoline is now going to do away with indexing of income tax and really give it to the lower income people of Canada. They are going to impose a tax at the refinery level, which means a tax not only on transportation fuels but on heating fuels and products which are used in the petrochemical industry. And on it goes. The government is afraid to come into this House and bring down a budget. That is why we are opposing this bill.

This bill authorizes the borrowing of $12 billion. The House leader has complained because we have spent under 12 hours discussing this bill at second reading—$1 billion an hour. It is a credit to the people of Canada that the government wants us to rush this bill through the House in less than 12 hours, $12 billion in credit. We are not going to do it. The government House leader says that the government was very generous with the time it allocated for this bill. The government is very generous with the credit of the people of Canada.

The government House leader says that they are not imposing closure. This is garrotting. This is the gag, the noose, the stiletto, the bastinado. This is the sledge-hammer, the bludgeon. The government House leader is right when he says that it is not closure. He talks about the principle of the bill. It is not the principle of the bill; it is the "unprinciple" of the bill and of the actions of the hon. gentlemen opposite which are upsetting to us.

The government House leader has asked us to rush this bill through. It is like asking the goose and the turkey to help lay the Christmas table. We are not going to do it. We have debated this bill for three full days, one afternoon and 20 minutes one evening. There have been 21 speakers—three Liberals, a waste of time. The Parliamentary Secretary to the Minister of Finance (Mr. Evans), though, gave us a few facts. There have been four NDP speeches which were almost a waste of time, and 14 PC speakers with not a wasted minute among them.

What do we want, Madam Speaker? We want the Minister of Finance to come to this House and bare his soul to us. We do not want a four or five-minute speech in which he says nothing. What are the bold, new economic directions for Canada? This gentleman goes outside the country and makes speeches. We want him to explain. For example, he has just been to a meeting of the Organization for Economic Co-operation and Development and this is what he said in a speech there on June 4:

• (1520)

But the experience of the 1970s has brought home the point that we are unlikely to achieve a sustained improvement in employment unless we get inflation under better control.

We want him to come to this House and explain what that statement means. Does it mean that the government is going to attack inflation as its first priority, and that until it does that and beats inflation we can expect no improvement in employment? What direction is he going in? How is he going to achieve this?

The minister is a world traveller. He attended a luncheon meeting of the France-Canada Chamber of Commerce in Paris—"Gay Paree".

An hon. Member: How was it?

Mr. Crosbie: While the unemployment figures are increasing in Canada the minister is in "Gay Paree". What did he say his priorities were on June 2? He said the first one was:

> Reduce in an orderly way our current budget deficit.

That is the priority of the Minister of Finance but back here in Canada it is not the priority of the Prime Minister (Mr. Trudeau), who says this government is not obsessed with the deficit in the same way the previous government was and will not reduce the deficit at the expense of creating more unemployment. The people of Canada want to know how the minister is going to reduce the deficit without increasing and creating more unemployment.

The Prime Minister also said that the government does not need to reduce the deficit to help the economy, because it is a healthy economy. The people of Canada do not understand this economy to be healthy when unemployment is rising.

The deputy minister of finance, Dr. Stewart, has said it is recognized that the federal government is in a deep budget deficit. The Prime Minister does not realize that. Dr. Stewart says the deficit problem will have to be solved by generalized tax increases ultimately across the board. The people of Canada want to know what these generalized tax increases are. When is the minister going to tell us about them? Who is going to be struck? Who are the geese whose gooses are going to be cooked, or whose geeses are going to be goosed? This is what we want to know. It is what the people of Canada want to know.

Is the minister seriously going to take indexing off the income tax? Will there be a special levy on refinery products? The minister may say that there is a great rush for this bill, Madam Speaker, because the government cannot borrow another sou unless the bill is passed. They will not be able to pay the mothers' allowance or the old age pension if they cannot borrow this money. What a confession of failure that would be! I warn the minister not to say that because an article in *The Globe and Mail* of June 5 reports as follows:

> Finance department officials emphasize they still have room to handle this month's bond issue even if the new legislation does not go through by the end of the month.

In other words, they think they can borrow another billion dollars this month without the legislation; they do not need it during June. What is the rush now to bring in closure—the guillotine, Madam Speaker—if they do not need further borrowing authority this month?

It is said that small business fears the future of the bond plan. The minister is happily back now from the sustained dangers of Paris—anyone who goes to Paris is in danger of having too good a time. When is he going to tell us and small businessmen about the future of the small business development bond that he introduced in his mini budget on April 21? He took that from my budget and I congratulate him for that. When is he going to act on it and when will the legislation come before the House? When are the people of Canada going to be told what his economic plans are?

Does the minister know the recession has started in the United States? The National Bureau of Economic Research has said that it started in January. According to a report in *The Globe and Mail* on June 5 a member of the board stated as follows:

> 'Things are going down very rapidly,' Mr. Feldstein said, 'more so than in previous recessions.'

The recession in the United States is apparently more severe than any recession since World War II. What does the government plan to do about that? That is why we want to know when the minister will bring in a budget. When will he indicate the government's long-term, medium-term and short-term economic and financial plans? How can he reduce the deficit and still try to counteract unemployment? Does he know about the forecast of the deputy minister of Finance that the unemployment rate that we thought might go to 8.3 per cent in 1980-81 will be worse than that? That is what the deputy minister forecast in his statement to the Senate a week ago last Tuesday.

Does the minister know that the deputy minister is also forecasting that the inflation rate will be higher than our forecast of last December, when for 1980 we forecast an 11 per cent increase in the CPI, and for 1981 a 10.1 per cent or 11.4 per cent, whichever of two scenarios occurred, high price or low price? Now the deputy minister of finance is forecasting increased inflation and that increases in the cost of living will be higher than the forecast of last December. The minister's department is forecasting that unemployment will be higher than 8.3 per cent this year and next. What is the minister doing about that? What is his approach to it?

Having defeated the previous government on a budget six months ago, and with the last budget passed by this House being brought down in December, 1978, the government owes it to the members of this House and to the public to bring in a budget before the summer recess. If they do not, then they are not accepting responsibility for having defeated our approach to the economic and financial problems of Canada.

We did not suggest that we would put the yoke of indexing on the backs, the hearts, the minds, and the pocket books of lower income Canadians, as the Minister of Finance says is probable.

We are not prepared to authorize $12 billion, $8 billion or $6 billion. Well, perhaps $6 billion or something less, so that we know we will have the minister in the House again before the end of this year. We might go for something like that, but

not for $12 billion. Not until the minister can tell us exactly what his plans are and when his budget is coming down.

The Minister of Energy, Mines and Resources (Mr. Lalonde) has to stop this shameful equivocation—his bully-ragging and bullying of the provinces—get down to serious negotiations and come in with a sensible oil price proposal. We know that it will probably be more expensive than the one we offered last December. The hon. gentleman should face up to the fact that they cannot carry out their commitments to the Canadian public. They cannot tell falsehoods, lies, and get away with it any longer. There are serious economic and financial problems facing this country.

Madam Speaker: Order, please. The time of the hon. member has expired.

Some hon. Members: More, more!

Mr. Crosbie: Guillotine!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, at the outset may I say to the hon. member for St. John's West (Mr. Crosbie) that in spite of his unkind allusion to the speeches made by four members of my party in this debate—an unkindness that I am sure he did not intend—I can tell him that we are as strong in our opposition to this motion as is his party. We think the action of the President of the Privy Council (Mr. Pinard) this afternoon is an abomination.

Some hon. Members: Hear, hear!

An hon. Member: Shameful.

Mr. Knowles: When the vote is called on this matter tonight some time after eight o'clock, we shall be voting against the motion.

Some hon. Members: Hear, hear!

Mr. Knowles: If the government is able to get enough of its members here to carry the motion, there is one thing I hope the minister will not do. I hope he will not use a motion which provides one more sitting day for the debate on second reading of Bill C-30 to call that debate on a Wednesday.

Mr. Pinard: Why not?

Mr. Knowles: Because there is such a thing as fairness and decency around here.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles: I object very strongly to what is implied in that question from the President of the Privy Council. In other words, he has it in mind, having got the authority of the House on a vote tonight to conclude second reading debate with one more day's debate, to do it on a Wednesday, which is a short day.

Some hon. Members: Shame.

Mr. Knowles: That is compounding the abomination. The President of the Privy Council likes to stand up here and refer to rules 75A, 75B and 75C as though they were the gospel truth, as though they were something that the House wrote into the rules with pleasure and with unanimity. I can tell him that is not true at all. I can tell him that in November and December of 1968 the government of that day tried to get through a closure set of rules under another number and heading but had to withdraw that set of rules to get the rest of its changes through before Christmas of that year. Not satisfied, the government of the era came back in June and July of 1969 and brought in rules 75A, B and C and pushed them through with its majority. The rules do not express the views of the House of Commons generally, which is what ought to be the case with respect to the rules that govern this place.

If my hon. friend the President of the Privy Council and others over there want to know what Liberals used to think about closure rules, I invite them to go back to 1913 and read the ringing words that Sir Wilfrid Laurier used against the Tories of that day who stopped a debate in the middle and brought in a closure rule. Here we are again, in the midst of a debate on Bill C-30, and the government brings in this closure rule.

● (1530)

The hon. member for St. John's West is quite right in pressing the point that the most serious offence about this is that we are being asked to close off debate, the basis of which is government spending, at a time when we have not been given a budget or any indication of what the government's financial policy is.

Some hon. Members: Hear, hear!

Mr. Knowles: If ever there was a case of asking this House to sign a blank cheque, that is it. We think it is wrong and we have no intention of going along with this desecration of the parliamentary process.

It is interesting to watch some of the things that happen around here. This afternoon, the President of the Privy Council stood up and told us how unco-operative members are on this side. He singled out the member for St. John's West for having spoken for an hour and 37 minutes at one point. I know that the member for St. John's West was embarrassed that he had to cut off at that point, that he was unable to establish a record, that he was not able to surpass the record established some time ago by John Rodriguez. But today, as I say, we are told that we are so terribly unco-operative on this side. However, I remind the President of the Privy Council that on Friday of last week his parliamentary secretary, the hon. member for York East (Mr. Collenette), had this to say in the middle of the afternoon:

On a point of order, Mr. Speaker, I am not sure what the clerk said and I am sorry that there is some confusion this afternoon.

I ask hon. members to listen to this next sentence:

All hon. members have co-operated—

That includes the member for St. John's West and it includes me. The sentence continues:

—and now we are desperately trying to find out what will be the next item of business before four o'clock.

We were passing so many items on Friday that the government wondered how it would fill the day. Which way do government members want it? Do they want an opposition that is co-operative or an opposition that is trying to stall? We are not stalling, Mr. Speaker. We are insisting on the right of this House of Commons to know what the government's financial plans are before we sign a blank cheque, which is what it amounts to if we are called upon to pass this motion for closure and to settle this debate with one more day.

I had assumed until I asked my question a moment ago that one more day would at least be a full day, at least a Thursday or a Friday, which has a few more debating hours in it than a Wednesday.

An hon. Member: What about Saturday?

Mr. Pinard: Why not on Wednesday?

Mr. Knowles: The President of the Privy Council asks "Why not on Wednesday?" In others words, the government is prepared to use a rule that was brought in under closure to close off debate, and no amount of semantics, of trying to use euphemisms and saying that it is just time limitation, will get away from the fact that what they are doing is cutting off debate.

The minister says that it is time for some reforms around here, and I agree with him. I have heard that statement many times. But is it not time that we deal with something basic? The only kinds of reforms that we hear from over there are shortening the length of speeches or cutting down to a four-day week—

An hon. Member: Then a three-day week.

Mr. Knowles: A four-day week will soon be a three-day week, that is right—or sitting mornings instead of evenings and so on. But we hear nothing about the fundamental problem that faces this House, and that is organizing our time from the beginning of the session.

What this Parliament needs—and it has been agreed many a time in meetings of the Standing Committee on Procedure and Organization—is a government that tells us at the start of the session what is to be before us and invites both sides of the House to sit down and discuss the line up of bills. If we do that, we can agree that some bills are unimportant and do not need to be debated on the floor of the House of Commons and that they can be sent right off to committee. We can agree that there are many bills that should be limited to one or two days of debate on second reading. But surely, along with that, along with the House being willing to let some bills go without debate and many bills to be given limited debate, it would be understandable that when we get to the crucial bills there should be whatever debate the House feels is necessary.

In my view, that is the kind of reform that we should be dealing with. I quite agree that the main problem facing us is how to use our time. I have seen this problem grow in intensity in the years since I first came here. In those early days we could get through a session in five or six months, and while we complained we seemed to have dealt with everything. But the things that have to be dealt with now are so numerous, there has to be co-operation. One does not get co-operation by bringing in closure, threatening more use of closure, threatening to change the rules or threatening to cut down the length of time used on speeches. I want to say parenthetically that I think that the 40-minute rule is one that should be changed. I certainly think that no speech needs to be that long. Members will see today that debates where speeches are limited to ten minutes go a bit faster, and perhaps when the rest of the members get going they will make still better speeches. But to think that that is the answer, just to cut the 40 minutes down to 20 minutes or 15 minutes when a government does not plan a session as it should and as it could, is a failure to recognize what Parliament is all about.

I emphasize the point that what we are faced with is a form of closure just as mean and vindictive and hard on the opposition as was the closure that the Tories brought in against the Sir Wilfrid Laurier Liberals back in 1913. It is the wrong way to cope with the problems of this House.

An hon. Member: Were you there?

Mr. Knowles: My hon. friend wants to know if I was here in 1913. The answer is no, not yet.

An hon. Member: Just on your way.

Mr. Knowles: But I can tell my hon. friend that there is no better reading in the pages of *Hansard* than the debate of 1913, especially the contributions that Sir Wilfrid Laurier made, on this very issue.

I see that my time is about up, Mr. Speaker. I am prepared to sit down, but I want to say categorically that this is an abomination, an offence to Parliament, a failure to realize the best way to run this place, and when the vote is called tonight the New Democrats will stand and vote no.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in this debate I would like to answer some of the comments made by the hon. member for St. John's West (Mr. Crosbie), but before I do so, since my name was taken somewhat in vain by my friend the hon. member for Winnipeg North Centre (Mr. Knowles) concerning last Friday—

Mr. Knowles: That was a compliment!

Mr. Collenette: —may I say that I did make those statements. I was flabbergasted on Friday afternoon that we had so much co-operation from the other side and we had to scurry around for more business. The opposition is ready, willing and

able to co-operate on small bills, bills that require no great discussion, bills that should have been through in half the time—half the time that was taken on Friday in the case of some of them. But when it comes to major bills, the opposition wastes time.

I need not talk about Bill C-19, the employment tax credit, which we will be getting to later tonight. But when member after member rise from the official opposition benches and talk about everything under the sun, such as their constituencies, their grandmother, their ailments, everything except the content of the bill, that is wasting time.

The hon. member for St. John's West talks about the Minister of Finance (Mr. MacEachen) not saying anything. When the Minister of Finance spoke in this debate a couple of weeks ago, he said more in five minutes than the hon. member from St. John's West said in an hour and a half in debate on the bill.

Some hon. Members: Hear, hear!

Mr. Collenette: In fact, I would ask hon. members to check *Hansard* for the days when the hon. member for St. John's West was speaking. I think hon. members will find that the same speech was given today in a truncated form. The hon. member is like a musak tape: it plays over and over again until one changes the tape. We have heard it so often and we heard it again this afternoon.

The official opposition ruminate and fulminate about this terrible rule. They call it closure. I would like to remind members opposite that on December 5 last year, a scant two months after Parliament had opened, the hon. member for Nepean-Carleton (Mr. Baker) rose in his place concerning Bill C-20, the mortgage tax bill. I think the bill was in Committee of the Whole stage. They talk about arrogance on our side, but after second reading had been granted, one day after bringing Bill C-20 into Committee of the Whole, the hon. member for Nepean-Carleton, as reported at page 2149 of *Hansard*, said this:

● (1540)

> Closure was used by C. D. Howe and it became an infamous rule of the House in the flag debate. It was the initiative behind the debate to ram changes in the rules of the House down the throats of members. I do not intend to do that today. What we are using here, and I think we had better make it clear to the people of Canada, is time allocation under the provisions of Standing Order 75C. This is a far gentler measure.

That is what he said on December 7. I agree that what we are doing here is trying to expedite the business of the House. The hon. member for Nepean-Carleton knows, as do all House leaders, that time must come to end debate. This is an important bill. We are talking about borrowing $12 billion for the Government of Canada. We need to have this bill put through very quickly. I will not cite the whole myriad of things that will happen if this bill is stalled any longer. The government needs this bill. I think we are fully justified in bringing in 75C.

I think we can have some fun looking at the record. Later on the same page the hon. member for Nepean-Carleton said:

> I have only done this because there is no end in sight to the debate, none whatsoever . . . I do not think Canadians should be shortchanged by a short-range government and a short-range opposition.

The people of Canada did not realize how short-range that government was. In looking back, we can only thank God that on February 18 the voters of Canada took a very wise and just decision.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Collenette: I do not want to be cruel because, when you get right down to it, I am not a bad-natured guy. I do not want to go any further with the record in that debate and quote all the words of the hon. member for Nepean-Carleton. After all, the government House leader and I have to deal with him on a daily basis, and generally we have a very good relationship. But on matters of principle and urgency affecting the government and legislation, we have to be blunt. That is the reason I looked up these words today.

Comments have been made in the House in the last few minutes that we are not reasonable, that we cut off debate, that we do not allow people to speak. We had seven days of throne speech debate when any member could talk about any single matter under the sun, not just matters relating to the throne speech debate. We had several days on second reading of the employment tax credit bill. I class that as a small bill as it was not one that was really controversial; in fact, the opposition will probably vote for it. We had two days in Committee of the Whole on interim supply.

The opposition rant and rave about not having adequate time to express themselves. Perhaps you were here those two days, Mr. Speaker, on the floor of the House when the official opposition could not get their act together. They needed more speakers. They wanted more time in Committee of the Whole. They have all the time in the world, but they cannot plan properly.

I am not criticizing the hon. member for Nepean-Carleton but his members do not listen to their House leader. There was debate on Friday afternoon when someone objected. They did not listen to him. I say to hon. members opposite, "Listen to the hon. member for Nepean-Carleton; sometimes he is right".

Let us talk about other provisions that we will have this year when members can adequately express their feelings and points of view. We have arranged by unanimous consent a most imaginative supply order covering this year because the regular supply order is inoperative as a result of two federal elections.

Some hon. Members: Oh, oh!

Mr. Collenette: Hon. members agreed to it. There was great patting of each other's backs because everybody got together. In the fall there will be ten opposition days. Six will be in Committee of the Whole. On three of those days the hours may be extended through dinner until midnight. There will be plenty of time. However, after seeing the performance a few

weeks ago of the official opposition in Committee of the Whole when we had four ministers simultaneously answering questions, I do not think they will be able to get their act together. We have given them that opportunity. There is no question of trying to cut down debate, of trying to limit an hon. member from expressing his or her views in the House.

An hon. Member: Sit down, then.

Mr. Collenette: I have ten minutes. The hon. member for St. John's West used his ten minutes. We have been most reasonable. I see the hon. member for Crowfoot (Mr. Malone) is here. A couple of weeks ago I stood in my place and asked for unanimous consent to extend private members' hour to the full hour because government orders had intruded by about 20 minutes into private members' hour.

We are quite reasonable. We are mild-mannered people. We are good natured. As Henry Higgins said in "My Fair Lady", we have "the milk of human kindness by the quart in every vein". I would sing it, but I do not think I should. We are quite reasonable.

Hon. members opposite have to look at their position in the debate. They talk about everything. They are still fighting the last election. I do not blame them. We had the spectacle on Friday of the Leader of the Opposition (Mr. Clark) going to Toronto cap in hand, or whatever the expression is, and pouring forth his heart to Bill Davis and all the provincial Tories. He was wrong, he said, they should not have allowed that vote to happen on December 13. We can understand the sensitivities and sensibilities.

I do not want to ram anything down anyone's throat. As I said, we want to be mild-mannered and reasonable. We can understand when the Leader of the Opposition makes a public display of pouring out his heart, much like a group therapy session. We do not want to rub it in any further. The government is quite within its rights, not just technical and legal rights but within its moral rights to bring in 75C.

Mr. Knowles: No.

Mr. Collenette: The hon. member for Winnipeg North Centre says no. We have the rule on the books. It is a rule that has been used at some times with extreme caution. The hon. member for Nepean-Carleton used it in this very House only a few months ago. It is there for specific situations when urgent business has to get through the House. I think we are doing hon. members a favour.

Some hon. Members: Oh, oh!

Mr. Collenette: We should be able to go back during the summer recess and say to our constituents that we had a very productive session. However, if we allowed Bill C-30 to be debated ad infinitum, we would be here all summer. I do not think any member should hold up the debate or filibuster solely out of pique, if it is pique, or solely because he disagrees with the principle of the bill.

In the United Kingdom, second reading is done within a day and all questions are put. How long does it take you to state your principles? Do you have to state them ad infinitum, like the hon. member for St. John's West? I do not think so. I am in agreement with using 75C and I welcome the opportunity to get this legislation through.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to bring the parliamentary secretary back from this trip to Fantasy Island.

Mr. Nowlan: He didn't take the "Love Boat", he used a scow.

Mr. Baker (Nepean-Carleton): This is very important. In his last utterance he talked about the importance of the principle of the bill. The principle of the bill is quite clear; it is a very easy principle. It is a desire and an attempt by the Government of Canada to borrow $12 billion.

The minister comes to this Parliament and asks for permission to borrow $12 billion. However, he has not recognized the purpose of this Parliament. Its purpose is not to put a stamp automatically, like a clerk, on a requisition for $12 billion. The purpose of this Parliament is to ask the ministry why it needs the $12 billion.

When an official of the Department of Finance is reported publicly as saying that there may be no need for the full $12 billion, the government should be satisfied and should carry on its business with something less, at least for a time. The Parliament of Canada is then entitled to ask how much less. Why did the government choose the figure of $12 billion in those circumstances?

Sometimes in these debates two things happen. Sometimes the Minister of Finance (Mr. MacEachen) or his parliamentary secretary, and now we have a Minister of State, Finance (Mr. Bussières), stand in their place during the course of the debate and tell Parliament why they need the money, or what is happening to the economic situation in the country that will require them to need the money. Sometimes they do that and sometimes they don't.

• (1550)

This is one of the occasions on which the government, for one reason or another, which I think is in keeping with exactly the same theory on the operation of government as we saw when they promised a bill on freedom of information—and we don't see it—comes to Parliament and says: "Parliament, you are the handmaidens of the government, we do not have to tell you anything, we will do what we please; give us the bill".

That is the issue in this debate, but the background of that issue is important because we face an unusual government. You will recall, Mr. Speaker, the beginning of the Thirty-first Parliament when the Liberal party was in opposition. The then financial critic, now the Minister of Industry, Trade and Commerce (Mr. Gray), moved that the issue with respect to interest rates be the subject of examination by a parliamentary committee. The government of the day, the government of

which I had the honour to be president of the privy council, agreed that this would be a good thing. Then when we were in opposition, the first motion we brought forward under Standing Order 43 called upon the government opposite to do precisely what they said they wanted us to do. And they said no.

We heard during the election campaign that this 18 cents tax on gasoline was dreadful. Some people would agree with that, others would not. There is still revenue to be raised in the country. But in any event, hon. members opposite were returned to office. They were returned on a condition that their oil price would be less than ours. Mr. Speaker, the ink was not dry on their commissions as cabinet ministers signed by the Governor General before we began to hear noises suggesting that their promise, their commitment, meant nothing at all.

Then, Mr. Speaker, they floated an idea on a principle which was stolen from the Hon. Robert Lorne Stanfield with respect to the indexation of income tax; that was his proposal made by him during the course of an election campaign, and it was stolen and adopted in the course of that great conversion by John Turner before he flew the coop—

An hon. Member: Do you want him back?

Mr. Baker (Nepean-Carleton): The hon. member from Newfoundland over there asks whether we want him back. I can say this: you fellows could certainly use him back; at least he understood the House of Commons from the point of view of a minister of finance coming to this chamber and coming clean with the members sitting here, which is something the present Minister of Finance has yet to understand.

In any event, what is happening now is that this commitment made by the government is being changed. They are now beginning to raise taxes. They are raising taxes through the back door. They are raising taxes on the backs of the poor and the disadvantaged. That is something I never heard anything about in the course of the election campaign. They gave the impression that if they were returned to office everything would be roses, we would wallow in prosperity. Instead, we are wallowing in unemployment and we are wallowing in a lack of candour with the House of Commons as to what direction the country is going to take.

I can say now, on behalf of this party, that if the Minister of Finance, who is in the House, will tell us upon what date he proposes to bring in his budget, we will end this debate now. We would allow that bill to proceed and there would be no point dealing with the closure motion. But he is not going to do that. He is not going to do that at all. What has he done? One thing he stole from our budget, which I thought was a sound item, was the proposal regarding the small business development bond. People are writing to us asking when they are going to bring it in. Not a whisper; no advantage to small businessmen. Farmers have been denied the advantageous capital gains measure which was in our budget. All these things have been denied while the Minister of Finance is out behind the international curtain in Paris attending this conference and that conference.

The cost of the oil import equalization program has now risen to $3.32 billion from $3.1 billion. This means we shall be faced with a deficit of $14 billion. And we are asked to approve a blank cheque for that government, that spendthrift, wastrel government. No, Mr. Speaker, no blank cheque.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): When my friend—and he is my friend—the government House leader talks about improving the rules of the House of Commons and about shortened speeches, I say this to him: I will agree to shorten speeches, but not for nothing. I will agree to shorten speeches in return for something very important to us and to all members of this Parliament, even the silent Liberals who get up and down like trained seals to support a government which even they must have doubt about, given the breaches of promises. I want some power given to this Parliament. I want this Parliament and future Parliaments to cease to be handmaidens of the government. As the member of a government I prepared a program which would have done precisely that and, at the same time, shorten speeches. We are now some 90 days into this session and though the government House leader talks about improving our rules and shortening our procedures, streamlining them and so on, has the House committee on Procedure and Organization met? No, it has not. Parliamentary reform to that party over there, at least as they have demonstrated it, is not intended to improve the lot of private members or to make government more accountable to Parliament; it is to make Parliament more convenient for the government of the day.

[*Translation*]

Mr. Gourd: Mr. Speaker, I rise on a point of order. I would like to say that the opposition House leader (Mr. Baker) referred to the ninetieth day. I want to point out to the House that it is the forty-first day of the session.

[*English*]

Mr. Baker (Nepean-Carleton): I thank the hon. member very much. It just seems like 90 days bearing in mind the legislative wasteland we have had to deal with so far and the lack of answers we have received. But that is the position we are in. It does not lie in the hands of the parliamentary secretary to the government House leader to say that the legislation we put through last Friday, co-operating with the government, is unimportant.

Mr. Collenette: I did not say that.

Mr. Baker (Nepean-Carleton): He did. He called them small bills, little bills, unimportant bills. "Small change" he just called it. If farm improvement legislation and small business legislation can be described as small bills, I think the parliamentary secretary had better look to his priorities with respect to the problems of this country.

Time Allocation for Bill C-30

Mr. Robert Daudlin (Parliamentary Secretary to President of Treasury Board: Mr. Speaker, what we are engaged in today is, to my mind, a demonstration of what appears to be the consensus of this House that speeches need not extend beyond a limit of ten minutes. I trust that if this matter does come before the committee to which the hon. member for Nepean-Carleton (Mr. Baker) referred within the next few days we can start from the basis of that consensus rather than work from the premise that certain members of the House need extended time in order to put a few ideas before the House and before the public.

I am particularly concerned that the hon. member would stand in his place and suggest he has such a deal for the government today. If the Minister of Finance (Mr. MacEachen) would stand before this House and give him but a date, the hon. member for Nepean-Carleton would be prepared to allow this bill to go forward. I was listening rather attentively before the hon. member for Nepean-Carleton rose to speak because it has been my experience in this House that you cannot listen to just one person opposite to determine what it is hon. members opposite are really after. If you do that, you find yourself running a fool's errand. If you give in first on one item, then you find there is one more thing they want and after that just one more thing. I would not stand in my place and support a government which would give in to that kind of pressure—I am almost willing to say blackmail. This government has been elected to govern this nation and not to give in to the power play tactics of members of an opposition who refuse to support bills or who support them so that they can buy something for themselves.

● (1600)

Some hon. Members: Hear, hear!

Mr. Daudlin: To get back to my point, the hon. member for Nepean-Carleton said that if we would but give him that date, he would assure us that his party would no longer stop this bill. That says two things. It confirms what the government House leader and the parliamentary secretary before me said, and that was that the opposition is systematically stoppping this bill from going forward for no other reason but simply to stop it. That should not be allowed to continue. The hon. member said, "Give us a date". The former minister of finance, the hon. member for St. John's West (Mr. Crosbie), said, "Give me the date, and we will be prepared to allow this bill to pass". However, then he had second thoughts about that and said that in addition to the date he was concerned about what the Minister of Energy, Mines and Resources (Mr. Lalonde) was doing about oil prices. Already we see the hint that if we were to give a date, hon. members opposite would not be satisfied with that and we would have to give in to something else. I am sure hon. members in the New Democratic Party would then want to jump on the same horse, and they would raise their particular pet peeve.

The people I have the joy to represent, the people of Essex-Kent, and others sent this government to Ottawa to conduct the affairs of this nation as best it saw possible. The people of Essex-Kent thought that all men and women sent to this House were honourable and capable of sitting down and negotiating what is required so that things could happen in this House. The people sent us here believing that men and women of good will can sit down and negotiate to a conclusion which benefits the nation. When I go home, people ask why we sit and listen to people talking on a bill hour after hour seemingly with no direction. Why is it that there seems to be no particular relevance in the debates? Why is it that we seem to hear the same things being said again and again?

I can tell from the look on your face, Mr. Speaker, that you have gone through the speeches and said to yourself: "I have seen this before. Surely this is nothing new. My goodness, surely some other hon. member has said this before". When we go through the speeches, we find that that is exactly what is going on. It is *déjà vu*. We have seen it all before, and that kind of thing should not be allowed.

If we were limited to ten minute speeches like we are today, and if we were forced to come to the issues before us and the principles of bills and tried to divorce ourselves from repeating what has gone on before, we would find that a debate could be completed in a day and all the new ideas could have been brought forward. That is the kind of thing I think we should be moving toward.

During his short intervention the hon. member for St. John's West spoke about rumours and rumours fueling rumours. It is interesting to hear that because one is forced to reflect on the source of those rumours. We hear opposition members in this place day after day saying not that some minister or some hon. member but some mysterious person from the bureaucracy has been floating some kind of an idea. Some servant of the public has said such and such and "Is that not a terrible thing, and does that not mean that the government is going in certain directions?" I have a great deal of respect for this House, and what we should do first is listen to what the ministers of the Crown are saying in this House. That is the direction which is being given in terms of where the government of the day is going. We should not be going to *The Globe and Mail* on the fifth page to determine whether some idea is being floated or whether there is a rumour. We should be sitting in the House, listening and determining from that what the direction of the government is, and we should be debating it.

Hon. members opposite talk about the government not pressing forward by giving them a budget in the time frame they would like. It is interesting, is it not, that we had an election on February 18 and that we were back in this House on April 3? However, that is not good enough. Immediately the opposition says we have to do better. They forget the election of May 22 and coming back to this House on October 8. We had to wait until December for a budget.

An hon. Member: We had to uncook the books.

Mr. Daudlin: Hon. members opposite forget those things when they say we are not doing well enough. We have done better than they, we continue to do better, and it does not take much of an effort to do better.

Mr. Knowles: Mr. Speaker, I rise on a point of order. Would the hon. member not like to correct his statement? We were not back on April 3. It was April 14.

Mr. Daudlin: Mr. Speaker, I stand corrected. The hon. member will forgive a lapse. I was back in Ottawa on the third wishing we had already resumed, and I am certain I saw the hon. member in the halls on the same day. It has been suggested that we are rushing on to closure. The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) pointed out that the previous House leader had taken some pains in a previous debate in December to indicate the difference between the application of Standing Order 75C and the closure rules which also exist. I think it is important that the people across Canada understand that distinction, but I ask hon. members opposite to do more than pay lip service to the fact that there is in existence that kind of a set of rules. They started today by admitting rather belatedly, and I think rather sheepishly, that while they were in government they said there is a distinction and a difference. When their own speeches are brought to their attention they have to admit that, but they still stand in their places and talk again about closure. If anyone has to come clean, it is hon. members opposite. I ask that they abide by the rules. If they want the rules changed, let us sit down and change them; but until we do change them let us use them effectively and do what we are here to do, and that is to see that the best interests of Canada are served.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I was very interested in the remarks of the Parliamentary Secretary to the President of the Treasury Board (Mr. Daudlin). I note in passing that off the floor the hon. gentleman in a way is a personal friend of mine, but on the floor obviously and necessarily he is a political adversary, since we live in an adversary system.

The hon. gentleman talks about reform, but the procedure committee has not yet been structured. I have been on the procedure committee and that committee has tried to reform this House in a meaningful way for many years. There is a fear on the part of members of the opposition with regard to so-called reform coming from the government opposite. In the last number of years the government has had only a brief three months' experience in opposition. Our fear is exemplified by what is going on in the House today. Our fear is that reform will be chloroform to the rights and privileges of members of the opposition whose only real medium and vehicle for opposition is rhetoric and the ability to stand in this House to make the odd speech from time to time.

There can be reform. In some debates the length of speeches should very well be cut down. Reference has been made by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) to the English system. We all know that the mechanics of the rules of procedure of the unitary system in England are fundamentally different from those of the House of Commons of Canada. Canada stretches some 4,000 miles from sea to sea and the analogy of the unitary system does not fit.

● (1610)

Talking of *déjà vu*, I cannot imagine any precedent in history that would allow what is going on here today. There is a reason. It was not quite what the hon. member for Nepean-Carleton (Mr. Baker) said, as I heard him, that the debate on the whole bill might very well stop. Certainly as far as this party is concerned, the debate on the motion would stop if the Minister of Finance (Mr. MacEachen) brought into the House of Commons a budget, so that members who wanted to speak on the budget debate had an opportunity to do so.

Mr. Collenette: Oh.

Mr. Nowlan: The Parliamentary Secretary to President of the Privy Council had a chance to speak. Frankly I was surprised at the list of numbers. I was away for a couple of days last week. If I was told that 24 or 35 members in opposition had spoken on this bill, their case might have been a little stronger. But for members opposite to take the Holy Grail now and wrap themselves in a shroud of sanctimonious rhetoric about delay and filibuster is the absolute height of hypocrisy after what they did to the previous government on the mortgage tax deductibility bill. That issue was debated during one election. The public of Canada had given a certain definition of approval for that issue along with other issues. It had been ventilated with the public.

The fundamental reason for a House of Commons, if one wants to go back to England and the days of yore, is to debate the power of the purse, not to pass mortgage deductibility bills and legislative bills. In terms of the analogy of England, it is just sad. The fact of the matter is that they have a wholly different unitary system. They bring in a budget before they try their allocation procedure. They have a five-year or a ten-year plan for financial estimates which is basic and obviously has changes. But the big thing they have in the federal House which we in this country do not have is that in the normal course of events there are changes in government, and the very change in government acts as a governor on what the new government will do. Remembering some of the frustrations of opposition, the new government will not be quite as arrogant or quite as indirect in terms of changing the rules.

They appreciate the frustrations and the problems in opposition.

There is a sickness in this country in terms of parliamentary democracy. It was one of the sadnesses of the defeat of February 18, regardless of the fact that some people sit on the right side and some on the left side of the House. I am referring to the fact that through our parliamentary institution there was not enough time to educate those who only had days in government. Both of the parliamentary secretaries who spoke today are able parliamentarians. They would be that much more able and competent if they had had a longer time in opposition to understand the real process of government, rather than the brief few days they were in opposition.

The hon. member for Argenteuil (Mr. Gourd) spoke on a point of order. He mentioned that this House of Commons has only been sitting for 41 days since the last election. The totality of the previous government's term was only 47 days. That is not time enough for parliamentary secretaries, no matter how able or competent, to start to appreciate what real reform should be, especially those members who have only sat in government. We cannot get real reform when a basic blank cheque bill for $12 billion is brought in and there has been no direction from the government treasury benches as to how government fiscal and monetary policies will be utilized and developed from that $12 billion.

I mainly mentioned the parliamentary secretaries who spoke, but the Minister of Finance was here before. How many members opposite came here only in 1974? How many of them appreciate that the total budget of the House of Commons and the Government of Canada up until 1968 was only $12 billion? I think the two parliamentary secretaries both were elected in 1974. I am not casting anything on them personally, but they have had no experience in terms of restraint in government spending. Six years later the budget, which had reached $12 billion in the first term of the Prime Minister (Mr. Trudeau), was $28 billion. We all know what has been happening ever since. We are being asked for a blank cheque amounting to $1 billion for each month, or, as someone said, in effect it is $1 billion for each of the 12 hours that this debate has lasted.

Obviously the public outside is turned off by a lot of what goes on inside here. There is a crying out for some direction in economic policy, so that their pocketbooks mean a little more at the end of a week than will be the case if inflation and all the other economic problems are not brought under control and there is not some direction from the treasury benches. I do not think the public is upset because we have spent 12 hours on a blank cheque for $12 billion. It was almost the exact amount of total federal spending back in 1968, which at that time amounted to $12,200 million. That is why members of the opposition resent this fact.

In a new Parliament there are supposed to be opportunities to reform our procedures. All members know we have archaic methods and outdated rules which must be brought up to date. One does not start to develop that atmosphere when the government brings in time allocation or closure—call it what you will, we all know what it does; it cuts off debate—in the first major spending program. Quite frankly I am amazed.

If my party had stayed in power longer, I would have counselled my prime minister to bring in allocation many more times on issues of topical interest where the public could give its opinion on the subject matter, whether it was on unemployment or legislative bills. That is where allocation should come in, when debate has been held up by an opposition that goes on and on. One only has to read the debates of the last House to see the repetitive speeches on the mortgage tax deductibility bill. Debate went on for six or eight days. I forget how many hours or how many speakers there were. I would venture to say that both parliamentary secretaries who spoke here today contributed their words of repetition to that debate. The public of Canada had already decided upon that issue, among other reasons, by voting for us in the election held just before.

It is rather ironic that we are debating this matter today, this allocation motion. We all know that the real action today is not in this House, but it involves the House, the people across the country from coast to coast, the spokesmen for the federal government and/or the provincial governments who are at 24 Sussex Drive.

In view of some of the events which occurred outside the House in the last three weeks, I should like to say that there has been some good will. Everyone in the House wanted to ensure that there was a strong No. The hon. member for Winnipeg North Centre (Mr. Knowles) said that his party would be voting no to this motion tonight. I should like to indicate that the members on my side of the House will be voting no to this motion. There has been some good will, but good will is not built in a new Parliament when a blank cheque for $12 billion is brought in. This cannot be done after only 12 speakers from Her Majesty's loyal opposition and four from the NDP have participated. The government cannot say that is time to cut off debate.

We are heading into the summer recess and the Prime Minister is trying to wrestle and come to grips with the premiers of the provinces in order to resolve fundamental questions. We all know that attitude is important. I gather my time is just about up on this motion, but in closing it is ironic that the Prime Minister sent roses or flowers to the different suites of the premiers as they checked in last night. I give him credit for that; perhaps it will get things off to a good start at 24 Sussex. Hopefully roses and sweet flowers in the suites of the premiers will help; but poison ivy in the House of Commons will not help the attitude, impression, confidence and reciprocation of members. This allocation motion is a dose of poison ivy. It will poison the atmosphere and affect members in their deliberations when we get on with government business. I am certainly glad we are voting no.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I, too, join in this debate on the imposition of Standing Order 75C. I agree wholeheartedly that it should be imposed. I have been in the House, watched this debate go on and listened to what hon. members opposite had to say. In fact, the hon. member for Annapolis Valley-Hants (Mr. Nowlan) just said that there were 12, 13 or 15 members of the opposition who spoke.

Mr. McDermid: Out of 103.

Mr. Evans: There were 22 members who spoke, two of whom are on the government benches.

An hon. Member: There were three government members.

Mr. Evans: Excuse me, there were three. The Minister of Finance (Mr. MacEachen), myself, and the hon. member for Lincoln (Mr. Mackasey). That leaves 19 opposition members.

● (1620)

The reason we did not stand in our places and speak on this bill, C-30, was that we wanted to hear what opposition members had to say. In 12 hours of debate we have now heard everything at least three times. About half-way or two-thirds of the way through that debate I stood in my place and for 40 minutes gave answers to questions raised by hon. members opposite. I answered those questions to the best of my ability and with honesty. I am sure hon. members agreed with that because they complimented me on my efforts. We have answered those questions and if there are additional questions I would be willing and have been willing to answer them. In fact, I did answer supplementary questions put to me by hon. members on this particular bill.

I ask you, Mr. Speaker, at a time when we have a new Parliament that has almost one year of backlog material to be dealt with in this House, is this a time to be spending five days, as we have done so far and six after Wednesday, on a bill that is two paragraphs long extending to two pages?

An hon. Member: Involving $12 billion.

Mr. Evans: There is the backlog of material that has to be dealt with in this House. These are the bills before this House at this time. If we are required to spend five days of debate on this bill, how long is it going to take us to deal with all these bills?

It is quite clear that a filibuster has been taking place and that it would continue to take place. I have been told by hon. members opposite that they have enough speakers to continue for as long as the debate will last.

An hon. Member: Obviously.

Mr. Evans: In other words, the government is being forced into the position of having to impose 75C in order that we can have the kind of debate we are having today, and that is the truth of the matter.

Having regard to the questions that were asked, hon. members opposite have said that if the Deputy Prime Minister and Minister of Finance brought down a budget they would discontinue the debate. I have now heard the hon. member for Annapolis Valley-Hants say, of course, that that only applies to not continuing this particular debate on this motion today and did not apply to discontinuing the debate on the bill itself. I stood in my place last Monday night and gave indications why the Minister of Finance has not yet brought down a budget and why it will be a little while before he is able to bring down a budget. There were two issues. Hon. members opposite know those two issues and, putting all rhetoric aside, have to agree with them.

The first is that you cannot bring down a budget involving revenues and expenditures when one of the major revenue sources and revenue drains facing this government, the energy pricing issue, has not been resolved. If you do not have clear information about those revenues and expenditures, about what will happen to the oil import compensation payments and what is going to happen to revenues that come to the federal government from this area, then a budget is not possible.

The second issue involves the envelope system first conceived by Mr. Andras, who is no longer with us in this House. That system was implemented by hon. members opposite when they were in government. We compliment them for that because we think it is a good system and we are going to continue it. This envelope system requires that ministers understand clearly what are the trade-offs within their various departments, in the envelopes, so as to be able to put forward expenditure plans that reflect the priorities within those envelopes. The ministers are working diligently to see that this is done.

The Minister of Energy, Mines and Resources (Mr. Lalonde) is working diligently to see that an energy pricing package is negotiated with the provinces and agreed to. When those two things are in place we will be able to bring down a budget. It will be a well-thought-out budget which will deal with the priorities this government has, taking into consideration the objections and concerns of the opposition.

The fact of the matter is, and hon. members opposite have to agree, that the federal government has to continue; it cannot cease to exist as of the end of this month. Gentlemen opposite know that the borrowing authority available to this government cannot last forever, that it will run out at the end of this month or the middle of next month. Hon. members opposite would like to debate this. I can tell them that if they pass the bill at second reading it will go to the committee where detailed questions can be asked and detailed answers given. This is not the place or the time for that kind of debate. We are debating the bill in principle. Is it a principle of hon. members opposite to have the government run out of money

and cease to exist? I certainly hope that is not the case, but that is what will happen unless Bill C-30 passes.

This bill is necessary or it would not have been brought forward. The bill asks the permission of the House for the government to borrow additional moneys to keep it going during the interim period until a new budget can be brought down, until an energy pricing agreement can be reached, and until the envelope system can be well-thought-out and put into place. That is what the government is asking for and it is reasonable.

The estimates handed down by the previous government and reintroduced by this government, though they do not represent our spending plans, until supplementary estimates are brought in are our spending plans. These estimates clearly indicate what will be done with the $12 billion. The expenditures and revenues are clearly represented in those estimates. If hon. members opposite will read the estimates they will recognize that this is what they were faced with when in government.

The people who watch us daily and who read what is going on in the House of Commons are becoming a little disturbed that progress is not being made with bills that are really not matters involving philosophical differences between parties. Hon. members opposite know that, had the Conservative government been put back in place, this bill would have been introduced by the hon. member for St. John's West (Mr. Crosbie), or whoever would then have been minister of finance. This bill does not involve philosophical differences but rather is a matter of keeping the government running.

It is time we stopped this fooling around and got down to the business of moving forward with the important issues that have to come before this House. There are many such issues. I just need to hold up this particular package again to indicate the number of issues that need to be debated in this House. These are Commons bills. We have had 12 hours of debate and we will have one more day of debate on Wednesday on this bill that contains two paragraphs. Certainly it refers to $12 billion. If they look at the estimates handed down by the last government hon. members will find that this is $12 billion that they would have requested.

We are proposing this motion under Standing Order 75C in order to get this matter before the committee where specific questions can be asked and detailed answers can be given. In this way we can move on with the business of governing this country and quit this horsing around.

Mr. Donald W. Munro (Esquimalt-Saanich): That was a great piece of rhetoric, Mr. Speaker, devoid of any content whatsoever. One of the previous speakers mentioned the fact that we repeat things in this House over and over again. Let me take a local example of the radar at Victoria international airport. We have repeated the facts of this situation over and over again. In spite of that, when we speak to the minister he says: "Well, isn't there radar at Victoria international airport"? They do not listen.

It is high time we looked at some of the philosophical bases on which this Parliament works. Let me read just a few words in this vein. These are not my words but are taken from a document, the authors of which I will deal with in a moment. It is a perfectly respectable report to this House, and the first chapter begins as follows:

> Accountability is the working principle of our parliamentary system and a process whose effective functioning is essential to our democratic government.

Those are very fundamental words in respect of this particular debate—accountability, the parliamentary system and democratic government. This particular closure motion brought under Standing Order 75C is a denial in these circumstances of the accountability of the parliamentary system and of democratic government. The government refuses to let us know the reasons it is asking for authority to borrow $12 billion.

• (1630)

Mr. McDermid: It's a nice round figure.

Mr. Munro (Esquimalt-Saanich): It is a round figure. As the hon. member for Annapolis Valley-Hants (Mr. Nowlan) mentioned a few minutes ago, it was the entire expenditure of the Liberal government when the present Prime Minister (Mr. Trudeau) assumed office. The figure has now reached the point where they are talking about $56 billion or $60 billion.

One could reflect on just what this amount of money means. Attempts have been made in this House to define billions of dollars. I have worked out one way. If one were to stack one thousand dollar bills one on top of another until one reached $1 billion, the stack would be higher than the Peace Tower. That is merely $1 billion. Twelve of these stacks one on top of the other would amount to a stack which would be 3,800 feet high.

Mr. Simmons: How about dimes?

Mr. Munro (Esquimalt-Saanich): Such a stack would probably amount to a little more than one kilometer. That is a lot of one thousand dollar bills. Without a proper debate, a proper explanation or a budget, that is what we in this House are being asked to approve.

That quotation I gave was taken from the Lambert report that was tabled in this House in March, 1979, and it goes on to say at page 370:

> Parliament has three tasks to perform, to legislate, to grant supply and authorize the levying of taxes, and, ultimately, to support or replace the Ministry.

As part of its granting of supply:

> Parliament's responsibility . . . is the continuous scrutiny that it is empowered to maintain over the government's implementation of the measures to which Parliament has given assent.

The government is asking us for a blank cheque for $12 billion yet, according to the fundamental philosophy under which this Parliament works, we are expected to undertake continuous scrutiny. How can we scrutinize something about which we do not know? Page 371 of the Lambert report says:

> The key to Parliament's role as a body to which accountability is owed for the administration of government has always been the need for Parliament's approval of government expenditure and its power to review that expenditure.

How are we ever going to be able to review that expenditure if we do not know on what it is the $12 billion is to be expended? That is the conundrum here. The government has only to explain the $12 billion. It has not even told us how much of the previous borrowing authority it failed to use. Under the Lambert report in January of this year a special adviser was appointed to advise the government on what action it should take within one year of each of the commission's recommendations.

Mr. Evans: Mr. Speaker, I would point out to the hon. member that in fact his question about how much borrowing authority since March 31, 1980, and prior to March 31, 1980. had been used can be found on the record in *Hansard*, if the hon. member will just look for it.

Mr. Munro (Esquimalt-Saanich): I would like to take another extract from the Lambert report, and that is recommendation No. 21.2:

> —there be established a committee of the House of Commons to be known as the Standing Committee on Government Finance and the Economy, that the annual fiscal plan presented to Parliament be automatically and permanently referred to this committee, that the committee report to the House on its study of the plan, and, that the government respond formally to the committee's report during a subsequent debate.

To my knowledge, this government has not taken any steps whatever to implement that very important recommendation and establish a committee on government finance and the economy. Nor has it presented an annual fiscal plan. It presented part of a plan in a statement on motions but refuses to produce its full plan. This is the problem which this Parliament faces.

I address through you, Mr. Speaker, the Minister of Finance (Mr. MacEachen) directly and say that he should know that this Parliament cannot willingly, without the imposition of this closure rule, approve a blank cheque for $12 billion for a government which refuses to account for its expenditures, and we on this side of the House will not approve it. Using standards of domestic husbandry, it is evident that patterns of regular deficits signify bad management. When those regular deficits are taken in a governmental context and on a national basis—and not only are they regular deficits, but regularly mounting deficits—then there is cause for concern and alarm.

A former president of the Treasury Board appeared at a meeting of the Commonwealth Parliamentary Association which was brought together to discuss the problems of parliamentary scrutiny over public finance and to suggest ways of altering the balance between the legislature and the executive. Mr. Robert Andras was the Canadian spokesman at that particular meeting. One has cause for great concern because it was he while president of the Treasury Board who saw these deficits mount. They have mounted to such a degree that we are now faced with a net debt—and I hesitate to use the figure because it verges on meaningless—of $55.8 billion in 1979.

The net debt per capita of this country is almost $2,400. Every man, woman and child in this country owes and will have to meet a debt charge of, to be exact, $2,360 in 1979. This is the matter which causes us such grave concern and alarm, and I refer not only to this Parliament but to the people of Canada.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I believe we had one of the more amusing periods in this House this afternoon when the hon. member for Winnipeg North Centre (Mr. Knowles) quite openly embraced the views which had been expressed by the hon. member for St. John's West (Mr. Crosbie).

I could not help but reflect back to one of my very first days, indeed my third day, in this particular chamber, when we were involved in another debate such as this one on exactly the same kind of motion under Standing Order 75C. On that particular day the positions were reversed in that it was the hon. member for Winnipeg North Centre who spoke and who was followed by the hon. member for St. John's West, if hon. members would check *Hansard*. On that day they were talking about the same kind of motion and the hon. member for Winnipeg North Centre, to his credit, took exactly the same position as he took today, with one added touch. Today he was able to embrace the views of the hon. member for St. John's West. When the speaking positions were reversed, the result was somewhat different. Then the hon. member for St. John's West was in a position to comment on what the hon. member for Winnipeg North Centre said. The hon. member for St. John's West said it was a lot of trash and nonsense.

● (1640)

Mr. Knowles: Now I know I was right.

Mr. Simmons: Now the hon. member should know that he was right. It was not he but the hon. member for St. John's West who changed gears on this one. What the hon. member for St. John's West embraces in June of 1980 he thought then was a lot of trash. That sums up the ludicrous position taken by the Tories in this debate this afternoon. I have never heard such blatant hypocrisy as that expressed on this bill this afternoon.

We heard this afternoon from the hon. member for St. John's West. "Old Leather Lungs" himself was bellowing forth about how this was the worst thing that had ever happened in this House. But five or six months ago he sat here

and defended this kind of action. He went further, Mr. Speaker. If you check the *Hansard* for December 7 you will find that not only did he want to ram it through in two hours on a Friday afternoon, but he wanted the House to forgo supper hour and have a special Friday night sitting. He could not wait until Monday to get it over with. That Friday afternoon he moved a motion as follows:

That the House sit through the dinner hour and extend the hours of sitting tonight—

That is the kind of rush he was in in those days. How he has changed! What a transformation inside five or six months! He stands here with a straight face and scolds us for taking a full three months to bring in a budget. Is his memory so short that he forgets it was almost seven months before he could bring in that terrible excuse for a budget on December 11 last? He talks about the gag, the guillotine and all the other pretty things he can dream up. Where was his entertaining rhetoric six months ago? Was he silent then? Was he just swallowing or was he doing what he does on most issues—taking whichever side is convenient at the time?

An hon. Member: Shame.

Mr. Simmons: The New Democratic crowd would know all about changing positions, having changed on the constitution and taken both sides—having been for lower interest rates when they were high, and now that they are lower, screaming that they should be higher because of a recession.

An hon. Member: Oh no.

Mr. Simmons: Not all of them, just the spokesman for finance. He was on the radio two weeks ago lamenting that if interest rates go down too much, it might have some severe economic implications. They sat on both sides of the constitution and on both sides of interest matters. They know all about taking both sides, Mr. Speaker, and they have taken them. Indeed, Mr. Speaker, I am reminded that today I have on what I call my "Ed Broadbent suit". It is a suit with two inside pockets. In one pocket he carries a speech representing one side of the situation, but if it is not opportune to deliver that speech he just reaches into his other pocket and takes out a speech on the other side of the issue. With only one speech you will notice, Mr. Speaker—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. I would remind the hon. member that he should not use the name of an hon. member but rather his riding.

Mr. Simmons: I apologize, Mr. Speaker. I should have said the "patron saint of instant solutions"—

Mr. McDermid: A point of order, Mr. Speaker. I wonder what Mr. Broadbent's two speeches have to do with rule 75C which we are supposedly debating at the present time.

Mr. Simmons: Mr. Speaker, I am sure the hon. member is wondering; he wonders about so many other things. Let us see if we can find something that he can understand.

I am glad to see the hon. member for Nepean-Carleton (Mr. Baker) coming into the chamber.

Mr. Baker (Nepean Carleton): I think I will leave.

Mr. Simmons: He, too, with a straight face talked about the budget. He was leader of a government in the House that could not produce in six months what he condemns us for not producing in three—a budget. He wants a date for the budget and suddenly all his principles go out the window. He talks about trained seals. If he really wants to see some trained seals he should look behind him when we call the vote on this motion.

Some hon. Members: Oh, oh!

Mr. Simmons: I say to the hon. member for Nepean-Carleton that $12 billion should not come as a surprise to him. If he looks at the revenue and expenditure program contained in the Tory budget he will find that the borrowing requirement was indeed in the order of $12 billion, so this should come as no surprise to him.

Mr. Baker (Nepean-Carleton): Eight.

Mr. Simmons: The official opposition was prepared to support a borrowing requirement of $12 billion when they were the government. Now they ask why we want $12 billion. I say they should read their own estimates and find out why we want $12 billion.

An hon. Member: You read them.

Mr. Simmons: I am told that when we were debating Bill C-20 in opposition last December, the mortgage bill, we took two or three days—

Mr. Baker (Nepean-Carleton): No, you are wrong.

Mr. Blenkarn: Oh, you went on and on and on.

Mr. Baker (Nepean-Carleton): Seven days.

Mr. Simmons: The hon. member for Nepean-Carleton says we took seven days. The note I have before me says two or three. Would the hon. member like to put it on the record?

Mr. Baker (Nepean-Carleton): If it is appropriate, Mr. Speaker, I will read what I said on that occasion when speaking for the government, as follows:

I happen to be quite a reasonable man.

I was speaking of myself, Mr. Speaker.

We have already spent seven days discussing this bill.

There appeared to be no end in sight. I think the record should be corrected to show that with respect to that bill a mighty filibuster was mounted by the opposition.

An hon. Member: Because the bill was so bad.

Mr. Simmons: I too, am anxious to have the record corrected, Mr. Speaker, in case my figure was wrong. It was only my third day in the House and the debate did not seem to me to have gone on for very long.

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

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to say something about this closure motion. It is not simply a procedural matter in my judgment and I do not look upon it as inconsequential. I do not think that Standing Order 75C is simply to be used for the convenience of the government. I think it is a bad policy when the government decides to use closure after a limited debate.

I began by saying closure was never intended to be simply a convenience; it was intended to be used if, as and when a debate had gone on at great length and there was some essential time constriction. Closure was never intended to be used to permit the government to do what it otherwise could not do.

I want to suggest that if the government had brought in its budget and indicated its fiscal intentions, if it had shown what its economic policy was going to be, then we might have expected the government to bring in a bill asking for permission to borrow money in order to facilitate expenditures during periods of slow revenue growth. But that is not the case. This government has been in existence for only 16 weeks. The House has been in session for only eight weeks. We are talking about a piece of major legislation. Just because it is a short bill containing two or three paragraphs does not in any way make it of no consequence. This is major legislation. This is legislation that speaks to the very heart of Parliament. This is legislation that speaks about the right of government to go into the marketplace unfettered and borrow money. This is legislation that is asking Parliament to say to the government that the government has the right, without ever telling Parliament for what use the money is to be put, to go and borrow and to repay in any currency. I repeat, to repay in any currency. This is major legislation.

● (1650)

An hon. Member: Read the estimates.

Mr. Deans: We cannot read the estimates. There is no budget. There is no policy. There is no economic direction. There is no fiscal policy. In fact, there is no responsibility at this point in terms of the government.

During the debate I said that if the government could tell us that it intends to bring in a budget some time in the fall, why does it not just ask for six months of borrowing? Why does the government not come to the House of Commons and ask for permission to go into the marketplace any time between now and October, if you wish—choose a date—and borrow up to 50 per cent of the total amount of the expected requirements for the fiscal year? Then the remainder could be sought after the budget is brought in and Parliament has had an opportunity to pass judgment on the appropriateness of the government's fiscal and monetary intentions. That would make sense.

I can recall a debate not at all unlike this debate, in a minority government in another place, debating the requirements of that government's intentions to borrow, and limiting that government to a period of time that would require it to return to the legislature—in this case the House of Commons—to seek further borrowing approval. This procedure would allow the House of Commons and those who are elected by the people of Canada to pass judgment not only on the appropriateness of the further borrowing, but on the appropriateness to which the borrowing that had taken place was put.

I think that is fiscal responsibility and is not asking too much. I think that every member in this House knows from the debate that has taken place outside among the people of this country that the public are very concerned about the government's unfettered spending, about the government being able to borrow without any evident sense of responsibility and accountability to the House of Commons. I do not delude myself. I understand that the House of Commons has very little power over the way in which the government spends money, particularly in a majority government situation. I also understand that there is a requirement on all of us to pass some judgment about the government's expenditures. There is a requirement on all of us to rise in our places and take part in the debate, and to offer suggestions as to how the government should or should not spend the tax dollars of Canadians.

We cannot in good faith hand over money to a government that does not yet know what its own fiscal policy is going to be, what its own budget is going to contain on what its own monetary policy is going to be. We cannot then be asked to hand over to that government before the government itself knows what its requirements will be or what its expenditures are likely to be, or be expected to give the government *carte blanche* to go into the financial marketplace and borrow anywhere in the world in any currency obligating the people of Canada to repay, before they have had an opportunity to determine whether or not the money will be used appropriately.

Some hon. Members: Hear, hear!

Mr. Deans: In our parliamentary system, just because a political party forms the government does not give it an unfettered right to borrow. It does not give that party the right to proceed without reference to the House of Commons, or the right to expend money without first determining from where the money will come.

Our parliamentary system is based on the House of Commons having the final say. How can we have the final say on the appropriateness of the government's borrowing $12 billion when we have no idea what the government intends to use that $12 billion for? Would that be responsible?

Mr. Dinsdale: No.

Mr. Deans: I ask hon. members whether they could tell their constituents how they acted on their behalf. I ask the Liberal backbenchers whether they could tell their constituents that they had acted on their behalf, that they kept a check on government expenditures, that they carefully scrutinized what the money was to be used for and then gave the government the authority to borrow. Government members cannot say that. Therefore, government members have no right to ask this House to pass this motion and the subsequent borrowing bill.

I suggest that the government is moving too hastily on this matter. Instead it should have said that because of oil price negotiations and other extraneous matters a budget cannot be in place before the fall and that i needs to go into the marketplace to borrow from time to time in order to maintain the fiscal affairs of the country. The government should have said that between now and then it will need some borrowing authority from the House of Commons and that this will be asked for quarterly or once every six months until such time as it places before Parliament what its program is going to be. Had the government done that, there would have been no difficulty. It would have passed with very little comment and the government could have gone about its business.

I say to the government that it has no right, that it is outrageous, to ask the House of Commons to give it borrowing powers for an entire year—

The Acting Speaker (Mr. Ethier): Order, please; I regret to interrupt the hon. member.

● (1700)

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, it is not out of pleasure that I rise today to make my remarks and comment on this motion introduced by our House leader, but rather because I feel it is my duty so the people of Canada will know what is happening, so they will be well informed and will be able to draw their own conclusions about what opposition members have been doing.

Mr. Speaker, on May 21 last, the Minister of Finance (Mr. MacEachen) brought forward Bill C-30 in this House for first reading. A few days later, on May 27, the Minister of Finance asked that the bill be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs. Then the former finance minister, the hon. member for St. John's West (Mr. Crosbie) spoke for 97 minutes. Mr. Speaker, during one hour and 37 minutes, the hon. member for St. John's West addressed this House and the people of Canada or perhaps thought he was addressing the people of Canada with the verve he is known for, and he spoke again for ten minutes this afternoon. What struck me the most in the remarks of the hon. member for St. John's West—one cannot help noticing it—is his fondness for the word "budget."

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vancouver South (Mr. Fraser)—Cultural affairs—Government support for Vancouver Art Gallery; the hon. member for St. John's West (Mr. Crosbie)—Industry—Proposal for installation of syncrolift in St. John's dockyard; the hon. member for Comox-Powell River (Mr. Skelly)—Search and rescue—Inquiry why capability on west coast not upgraded.

[*English*]

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

PRIVATE MEMBERS' MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED AMENDMENTS RESPECTING CHARITABLE GIFTS

Mr. Douglas Roche (Edmonton South) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to give individual taxpayers the option of claiming charitable gifts as deductions from taxable income or of deducting 50 per cent of the value of charitable gifts from income tax payable, and amending the present $100 standard tax deduction for medical and charitable purposes to apply only to medical expenses.

He said: The purpose of the motion, Mr. Speaker, that I am bringing before the House today is to help voluntary organizations make a greater contribution to the quality of life in Canada. Specifically, I am urging the government to amend the Income Tax Act; first, to remove the standard $100 deduction for charitable donations and, second, to replace the standard deduction with a 50 per cent tax credit along with the option of continuing to deduct charitable contributions from taxable income if it is in the taxpayer's interest to do so.

I hope to show in this debate that this tax reform, first advocated by the committee of national voluntary organizations, is fiscally sound, beyond partisanship and urgently needed. It is needed because, at this very moment when our expanding society is benefiting from a vast range of services in the voluntary sector, the voluntary sector itself is struggling to survive financially.

There can hardly be a Canadian who is not helped or being helped by one or more of Canada's 45,000 registered charities. There are organizations for the disadvantaged within Canada, the poor, the sick and the needy. There are organizations for all groups, from children to the aged. There are health organizations for research and heart and lung disease, cancer, diabetes, muscular dystrophy, health services for the mentally or physically handicapped. There are religious organizations sustaining and preserving our spiritual values, be they Christian, Jewish, Hindu, Islamic or Buddhist. There are international development organizations providing basic needs to people in the developing countries. There are educational organizations for universities, colleges, adult education, child education, future studies. There are environmental organizations for the preservation and beautification of our air, land, water and cities. There are cultural organizations for native and ethnic groups for art, music and dance. Some voluntary organizations serve national needs, others serve local communities. Many of these needs cannot be met by government or business.

The benefits of voluntary activity extend to the participants, recipients and the community as a whole. For the participant, voluntary activity is a means to become involved in his or her community at a time when other community ties such as the family and the work place are being eroded. Voluntary activity helps a person to develop into a better, happier human being with a greater sense of purpose and understanding.

For the recipient of voluntary activity, a service is provided which might otherwise be unaffordable. It is more likely to be responsive to his or her individual need and more personal than a government or a bureaucracy.

Of course, if individuals are healthier and happier, society as a whole benefits. Through voluntary organizations, the talent, creativity and energy of human society are more fully utilized, with little extra cost. Often voluntary organizations are in the vanguard of social change, as in the case of civil rights, women's liberation, consumer advocacy or environmental protection. There is no way that governments could ever replace the voluntary sector—not without considerable cost in terms of human and financial resources and the loss of initiative and community purpose.

But today voluntary organizations are the victims of inflation and economic restraint which have led to a decline in individual contributions in both real and absolute terms. In 1946, Canadians donated an average of 1.2 per cent of their income to charity; in 1970, an average of only 0.5 per cent of income was donated. I believe this decline is continuing.

Corporate donations have also been declining. A 1975 study of corporate giving by the Institute of Donations and Public Affairs Research showed that donations had dropped by 15 per cent between 1974 and 1975.

Charities depend on individual contributions in order to maintain their independence from government and remain responsive to community needs. In 1977 an estimated $755 million was donated by individuals to registered charities. The value of the volunteer services which individuals donate effectively doubles the size of this contribution. But the budgets of charitable organizations are being wrecked by inflation. Most are simply not receiving sufficient donations to enable them to maintain the services we have come to expect. The financial crunch has pushed some voluntary organizations into the lottery field where they face tough competition from governments. I think it is deplorable that charitable organizations have to rely on gambling to raise money.

If we want to ensure the economic survival of voluntary organizations, we will have to find a way of encouraging private donations. That brings me to the proposed amendment to the present tax system that would, in my judgment, provide this incentive.

Let us look at the present situation. A charitable donation can be deducted from taxable income up to a maximum of 20 per cent of income. Yet in 1977, only 12.5 per cent of taxpayers filed receipts for deductions.

The deduction of charitable donations from taxable income is an unequal incentive to give for different individuals. It costs taxpayers in higher income brackets less for each dollar donation than it costs taxpayers in lower income brackets. For example, let us assume two individuals give $100 to a registered charity. One person earns $15,000 a year and has a marginal tax rate of 12 per cent. The tax on his last $100 is $12. If he donates the $100, his taxable income is reduced by $100 and his income tax payable is reduced by $12. The $100 donation consequently costs him $88.

The second person earns $25,000 and has a marginal tax rate of 30 per cent. If he donates $100, he reduces his income tax payable by $30. The cost of the $100 donation is therefore $70, as opposed to $88 for the lower income taxpayer. As we look at the whole country, it costs individuals who are taxed at the highest rate only $36 for a $100 donation; it costs those at the lowest rate $94; and those who are too poor to pay taxes at all, $100. The less you earn, the more it costs to make a donation.

● (1710)

The current tax system also provides for a standard deduction of $100 for charitable donations and medical expenses. In 1977, 87.5 per cent of people who paid tax claimed this standard deduction.

When a taxpayer chooses to claim the $100 standard deduction, he or she can do so without filing receipts to prove that a donation was actually made. Because the standard deduction can be claimed with or without making a donation, it provides no incentive to charitable giving. Moreover, it is expensive for the government. In 1977, the federal and provincial govern-

ments lost $245 million in tax revenue because of the $100 standard deduction.

In 1974, a coalition of national charities set up the committee of national voluntary organizations. It has 108 national members who represent thousands of groups across the country. Under the committee, a task force on tax reform was established to examine ways of enhancing the role and capacity of voluntary organizations by providing an equitable incentive for taxpayers to make donations. In 1978, the committee set up a special project task force which recommended a significant amendment to the Income Tax Act. Called the "give and take" proposal, this recommendation has gained widespread support.

Here is the essence of the proposal. Ninety-eight per cent of taxpayers have a marginal tax rate under 50 per cent. It is these people who provide the bulk of the money for charity. A 50 per cent tax credit would mean that they could donate 50-cent dollars to charity.

For the person with the $15,000 income whose $100 donation costs him $88 now, the tax credit would mean that his donation would cost only $50. For the person with the $25,000 income whose $100 donation costs him $70 now, the tax credit would also mean that his donation would cost only $50. Both persons would receive equal tax benefit regardless of income, and both would have an increased incentive to give.

The tax credit would be set at 50 per cent for three reasons. It gives increased tax benefits to 98 per cent of taxpayers; it provides individuals with the same incentives as are already provided to corporations; and it can be paid for very easily if the government eliminated the standard $100 deduction entirely for both charitable donations and medical expenses.

There is no reason why political donations should receive any more beneficial tax treatment than charitable donations, yet three-quarters of a $100 political donation can be claimed as a tax credit. A $100 donation to a political candidate therefore costs only $25. A $100 donation to a charity costs anywhere from $36 to $100, depending on income. Following the introduction of tax credits for political donations, contributions to political parties quadrupled. A similar incentive should be given to charitable donations.

The option of deducting charitable donations from taxable income would ensure that the 2 per cent of taxpayers whose marginal tax rate is over 50 per cent would not be discouraged from making donations. Although this group is small, their contributions are large—$89 million in 1977. If they were only able to claim a 50 per cent tax credit, the cost to them of their contributions would increase, and their incentive to give would therefore be decreased.

A further incentive for charitable giving could be provided to all taxpayers if the deadline for charitable donations was extended to 60 days beyond the tax year end, as is the case with registered tax shelters. There would then be less of a time lag between the donation and the tax reconciliation.

Because the $100 standard deduction provides no incentive to giving, it should be eliminated—and that proposal is at the heart of the suggested amendment. Such an amendment would increase the paper burden in Revenue Canada if it had to scrutinize receipts from the 7.7 million taxpayers who now claim the standard deduction. But the burden could be relieved if receipts were required only for donations exceeding $100. Receipts for gifts under $100 could be retained by the taxpayer in case of audit by Revenue Canada. This procedure is followed by the internal revenue service in the United States for charitable donations and is followed in Canada for child care expenses.

The national voluntary organizations' task force on tax reform has calculated what the cost of the proposal would be. With no standard deduction, a 50 per cent federal tax credit, and deductibility for taxpayers with a marginal tax rate over 50 per cent, federal and provincial governments would lose $391 million in tax revenues. In contrast, federal and provincial governments now lose about $484 million in tax revenues because of claims for the standard deduction and deductions for stated charitable donations. The proposed amendment would therefore initially save governments $93 million. According to the task force, "if giving increased at the rate of 10 per cent per year, in approximately four years the government would be at the break-even point according to 1977 figures." So I am putting forward an affordable proposal.

The $391 million cost of the proposal is calculated on the following basis. Four essential cost factors are as follows:

Receipts for $601 million in donations were claimed by taxpayers in 1977. Some $512 million of this was donated by taxpayers whose marginal rate was less than 50 per cent and who would therefore claim the tax credit. The cost of a 50 per cent tax credit on $512 million would be $256 million.

Some $89 million of the $601 million was donated by taxpayers whose marginal rate was over 50 per cent, and who would therefore claim the tax deduction. The cost of the tax deduction on $89 million would be $50 million.

The 7.7 million taxpayers who currently claim the standard deduction are estimated to give an average of $20 each to charity, for a total of $154 million. The cost of a tax credit on $154 million would be $77 million.

The medical deductions which would appear as a result of the end of the standard deduction would cost governments an estimated $8 million.

Adding all these cost factors, the total cost of the proposal is therefore $391 million. But, again, that is $93 million less than the present system costs the government.

Mr. Speaker, the "give and take" proposal for tax reform has received the support of many organizations across Canada. All the major churches are behind it. The international non-governmental organizations support it. The national and local YMCAs, YWCAs, the Red Cross, Cancer Society and United Way are all in favour. The Canadian Council on Social Development recommends it, as does the Advisory Council on the Status of Women.

● (1720)

Most recently, support has come from the Canadian Commission for the International Year of the Child. In its report tabled May 30 the commission calls for the 50 per cent tax credit and the elimination of the standard deduction in order to strengthen the voluntary sector. The needs of the voluntary sector became clear to the international year commissioners when some 4,000 proposals were submitted for projects of benefit to children. Most had to be turned down. In the commission's view, and I quote:

> In a country that is in need of new and dynamic ways of addressing social problems, the energy and commitment of its concerned citizens should not have to be expended looking for money. In the long run, a small increase in support to the voluntary sector would bring tremendous dividends to us all.

To sum up, this proposed tax reform would achieve four objectives.

First, it would provide a tax incentive for charitable giving to all taxpayers. Under the present tax system many taxpayers have no incentive at all.

Second, it would make the tax incentive as equitable as possible among all income groups. Currently, higher income taxpayers have a greater incentive than lower income taxpayers.

Third, the tax incentive for charitable giving would not be reduced for any taxpayer. By retaining the option of deducting from taxable income, higher income taxpayers would have the same incentive to give as they do now.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman. He may be able to continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Roche: Thank you, Mr. Speaker, and I thank my colleagues; I will only be a moment.

Fourth, and most importantly, the increased tax incentives would strengthen voluntary organizations. Surely this goal will commend itself to hon. members on all sides of the House. I ask hon. members to support this motion because in doing so they will be supporting the lifeblood of Canadian society, those volunteer organizations which so deeply enrich the quality of life in Canada.

It is not in our power during private members' hour to change the tax law, but it is in our power to speak with one voice, to communicate our concern to the government and to urge this tax revision at the time of the next budget. Let us together share today in the creation of a small but very important part of that budget. Let us together speak on behalf of the voluntary sector so that our words will be followed by an action that will truly improve the human condition in our society.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I welcome the opportunity to speak in this debate. The motion serves to remind us of the vitally important work that is done by the voluntary charitable organizations in Canada. And no doubt members of Parliament could use a reminder that we cannot look to government for everything and that action by voluntary groups still plays a vital role in our national community.

On the issue raised in this motion, there has been fairly extensive public interest. Two important briefs have been submitted to the government in recent years, the most recent being a paper in 1978 from the national voluntary organizations representing most of the larger national charitable groups. The proposals by the NVO are reflected in today's motion.

The NVO was concerned about the level of public support for charitable organizations in Canada. I am sure there is general agreement that providing an incentive for charitable giving is a legitimate field for government action. Whatever we do should be measured against three main objectives. First, the incentive should be an effective one. It does not make sense if the cost of the incentive exceeds the additional amount of giving that results. Second, any tax incentive should provide equitable treatment among taxpayers. Finally, the cost to the treasury should not be unreasonable.

The cost of the motion before us is estimated at more than $500 million in tax revenues forgone by the federal and provincial governments. In effect, it would involve doubling the existing revenue cost of tax incentive support for charitable organizations. At a time when we are worrying about reducing our present federal deficit we should not be thinking about adding another half billion dollars to the combined federal-provincial deficits.

A good part of the cost increase that would be created by this motion would result from the final suggestion in the motion. It proposes that the existing standard $100 deduction, which now applies to charitable donations and allowable medical expenses totalling less than $100, should be continued but apply only to medical expenses. The existing standard deduction in effect is an allowance for charitable donations alone, since a very small percentage of taxpayers have allowable medical expenses that they can claim. Thus, a standard $100 deduction for medical expenses would really mean a new deduction for almost all taxpayers. It would cost a total of about $250 million to federal and provincial treasuries. And it would do nothing to assist charitable organizations, which is the ostensible purpose of the motion before us.

The other main proposal in the motion calls for a system of tax credits for charitable donations. I recognize that it proposes, as an available option, the continuation of the present system of deductions from income subject to tax. But this option would be relevant only to a small minority of high-income taxpayers. For most taxpayers, a tax credit system is proposed.

I do not propose to discuss at length the suggested credit rate of 50 per cent. Obviously, such a rate would impose a large additional burden on the treasury. If we were to switch

to a tax credit system for charitable donations, the credit rate would have to be at a lesser level.

I should like to discuss, however, the relative merits of the two approaches—a tax credit and deductions from income. In practice, one obvious difference between the two results from the existing structure of progressive rates of income tax which increase with higher income groups. With a tax credit, all donors regardless of income level would get back the same proportion of their charitable givings as a credit. With deductions from income, the effective incentive for charitable giving is higher the higher the donor's marginal tax rate. If equity in the tax system is the overriding consideration, the principle of a tax credit would therefore seem to be the choice.

There are some things to be said, however, for the existing system of deducting charitable donations from income. The progressive structure of tax rates means that the incentive for charitable giving is strongest at higher income levels. And since a major function of charity in our society is to redistribute income from the better-off to those who are less well-off, we should recognize that the existing approach of deductions does have a secondary effect of redistributing income.

We should also realize that our existing income tax system represents a combination of both a progressive structure of tax rates and deductions. Successive Parliaments have attempted to mesh these two factors together to produce a fair and workable tax system. I suggest that any significant shift away from a deduction system toward a tax credit system will require a reconsideration of the progressive rate schedule to determine whether it is appropriate to a tax credit system, or whether the existing over-all distribution of tax liabilities is fair and equitable to all taxpayers. If a switch from the deduction system to a credit does result in additional tax burdens on middle and higher income taxpayers, it may well be necessary to offset this by readjusting the schedule of tax rates.

In view of the support which this motion gives to the tax credit idea, it is somewhat difficult to understand why it suggests keeping the existing deduction system as an alternative approach. As an option it would be preferable only for taxpayers at the upper end of the income scale, whose marginal tax rates exceed the rate of tax credit. Perhaps the sponsor of the motion had in mind the desirability of attracting larger charitable donations from such taxpayers. We should also consider, however, the increased complexity that would result in income tax returns from presenting optional tax treatment for charitable giving, and the fact that it would be a real option only for the well to do.

● (1730)

In considering government incentives for charitable donations, we need not limit our options to the tax system. There are feasible approaches that involve the expenditure side of the budget rather than the revenue side. One such approach could link government grants to a registered charity to the amount of donations which the charity receives. For example, a $100 gift to a registered charity would mean a federal grant to the same charity of, say, $25. This would involve some substantial changes in the way we now proceed. The government would be dealing directly with the charitable organization rather than with the taxpayer donor through the income tax return.

Of course, the books of the charity would have to be audited. It would change the way in which donors viewed their gift. Instead of calculating how much it would mean in the way of a tax deduction, they would know that every dollar donated would be augmented by a government grant. This sort of approach need not cost more than the existing tax incentives and would meet, to a large extent, the objectives of national voluntary organizations.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I rise in support of the motion put forward by the hon. member for Edmonton South (Mr. Roche). I listened with great interest to the speech of the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. Evans). Of course he is absolutely right that any change in the tax system would require consideration, to use his words, on a whole range of subjects. I was disappointed that he did not do it, but I thought for a moment he was about to say that the government would be prepared to support an amended motion if it had not been placed in the alternative. Because he complained that the motion was split in two, I thought he would tell us that the government would consider the motion if it read as follows:

—the government should consider the advisability of amending the Income Tax Act in order to give individual taxpayers the option of claiming charitable gifts as deductions from taxable income.

That would have been a great step forward and fully within the intent of the hon. member who has given the House this opportunity to discuss such an important matter. I believe the hon. member in the consideration of this motion was attempting to allow the government a choice of options, either of which would be acceptable to the hon. member. Certainly I am disappointed that the government saw fit not to indicate its choice clearly, so that at long last in terms of a tax system we could take the necessary step forward which was advocated by officials within the government to permit growth and versatility in the private voluntary sector to make its impact felt even more in the Canadian community.

I do not want to be partisan—we were partisan a little earlier today—but I cannot fail to remind the hon. member that the costs of which he was complaining, the cost of $500 million, are not large in terms of a whole range of matters that are under the control of the government. Even today those matters could make room available within the tax system to the voluntary sector.

Because the parliamentary secretary is still in the House, I will remind him of a couple of things. I cannot help but recall the question period in the House in which we discussed the movement of Eldorado from Port Hope to northern Ontario contrary to the advice of the board of directors of Eldorado.

The costs of that move are immense and totally unnecessary with respect to the viability of the nuclear industry in Canada. There is a great deal of money and room that would be available there.

The whole decentralization program of the government impacts heavily upon the constituency of the hon. member for Ottawa Centre, the parliamentary secretary who has just spoken. Billions of dollars will be involved over a period of years in relocation grants and a whole host of other things. If it were abandoned, those funds would be available. Also there is moving Parks Canada from Cornwall to Peterborough. In order to be direct with the House, I have to say that it is becoming more obvious every day—not just to us on this side of the House, but more important, to people outside the House—that perhaps that is one of the least advisable and most questionable decisions the government has made against its employees' wishes and, most important, against good sense.

It does not take into account the $500 million additional load. It does not take into account the incentive and encouragement that could be given for growth in the voluntary sector, a great incentive for those engines, those people who want to help. The tremendous growth that would take place would lessen the load of government and the necessity of government applying its taxpayers' money and its own efforts with respect to services that must be performed within a country that is changing so quickly that sometimes it is alarming to many people.

I am delighted the member brought forth the motion. I am delighted to support it, but I am disappointed that the response was not just a bit more positive. I believe the day has come for the idea he put forward. I will have occasion on another day to argue a motion along the same lines. It is motion No. 53 standing in my name. For the purposes of indicating that there is a great interest in this area, I should like to quote my motion, as follows:

> That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to change the automatic deduction of $100 for medical expenses and charitable donations, to an automatic deduction of $100 for medical expenses, with all charitable donations being deductible from the total income on which tax payable is calculated.

The fact that there are two motions is important. We are very fortunate to have this particular motion debated today. There is a growing interest in the House and in the country in the support, the development and the use of the voluntary sector in Canada.

As Mr. Speaker will recall, because he was a member of the House in the Thirty-first Parliament, we brought forward a motion to establish a select committee of the House of Commons to study and review the place of and help for the voluntary sector. We asked ourselves as a Parliament to have those people come in and tell us their needs, where they fit in the scheme of things, and to encourage the government of that day, and indeed successive governments, that this kind of contribution was necessary. Arising out of this debate I hope there will be at some stage a speaker who will indicate to the House that this still remains a prerogative of government which is considered important, to give a reference to the House of Commons, if it cannot grant this motion, to advance the cause of volunteerism and contribution of the voluntary sector, because it is so important.

● (1740)

All governments must govern, and government parties and those with the hope of forming governments are all talking about restraining growth and expenditures in the public sector. That is reasonable, in my judgment, and should be done, but it leaves the men and women in those communities out there who require a level of service, particularly as those communities become more urbanized and as those factors that make up the communities change, with that need for service. There is a golden opportunity, as that void will inevitably be created by restraint and withdrawal of public service, for an infusion of service from the private sector. It is the voluntary sector, the men and women of good will, who band together to help their fellow men and women who fill that vacuum and provide that service.

Governments cannot be everywhere. As there are differences when we move from one region of the country to another, as we move from the city to the rural area, as we move among groups of young people and senior citizens, and as we tackle more things, or feel we should tackle more in terms of social problems, there is a requirement for a diversity of service. Governments which are monolithic to a great degree, whether provincial, federal or municipal, cannot attack every problem in a way that might meet particular needs.

The interesting thing about the voluntary sector is that it is made up of special interest groups who tackle specific problems within specific communities. As a result there is a flexibility that contrasts with the relatively necessary inflexibility of government. It is worth while supporting the motion and the idea behind the motion in order that society can be even better served.

I do not intend to speak very long because the case was admirably put. I think there was general sympathy for the idea on the part of the spokesman for the government, but I wish some member of that government party over there would raise in their caucus the importance of the continuance of the initiative for a study at least by this Parliament of the voluntary sector, its needs, and its place in the community. If that could be done I would applaud the government. I would applaud the government if it continued with that initiative. If there is some member over there who would pledge that he will raise that with the government of the day, then I think the voluntary sector would be grateful. We would be embarking on a course of action to serve a segment of the community which has not been served in quite the same way as the needs of today require it to be served. It is in that spirit that I support my colleague and commend him for bringing forth this motion today on such an important subject.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Nepean-Carleton (Mr. Baker), I am disappointed that the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr.

Evans) was not prepared to suggest that the subject matter of the motion now before us be referred to an appropriate committee for further consideration.

I recognize that the parliamentary secretary found two aspects of the motion before us not to the government's liking. I am inclined to agree with the two criticisms that were made by the hon. member speaking for the government.

Those two criticisms related, first of all, to the fact that by leaving medical expenses as the subject of a $100 deduction for everyone, in view of the fact that medicare takes care of most expenses, it would have the effect of adding $100 to the exemption level across the board. Maybe that should be done, except that it conflicts with our tax credit ideas, but if that is to be done, let it be done on its own and not in this way.

The second criticism the parliamentary secretary had about the motion was to the effect that offering the taxpayer an option of either a tax credit equal to 50 per cent of his donation to charity, or the present system of a deduction from taxable income, is a bonanza to those in the upper brackets, and if it should be considered at all it should be on the basis of a tax credit system all the way.

I say to the parliamentary secretary that I happen to agree with him, but that does not invalidate the fundamental principle the hon. member for Edmonton South (Mr. Roche) is trying to put forward, namely, that contributions to recognized charities should get the same income tax treatment we give to contributions to recognized political parties. This is something that not only has the support of church organizations and voluntary groups throughout our society, but it also makes good sense. This is a case of fair play and equality, and I think it should be considered.

From the way the parliamentary secretary started his speech I felt he might get around to that, and actually say that in spite of the shortcomings of the motion the fundamental idea was sound and he would be happy to ask that it be referred for further consideration. It is not the first time we have been disappointed by government responses to private members' motions, but my experience around this place is that if you have a good idea and you put it forward in a private member's motion or a private member's bill, after a while if you stay with it long enough you win. This is an idea, if I may quote the words of the hon. member for Nepean-Carleton, whose time I think has come, and I hope it will receive favourable consideration.

I say again that what I am supporting is the basic principle that voluntary contributions made to recognized charities should receive the same income tax treatment we accord to voluntary contributions made to recognized political parties. Because that is my view I commend the hon. member for Edmonton South for bringing the subject before us this afternoon.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I too wish to commend the hon. member for Edmonton South (Mr. Roche) for having brought forward this motion. As the two previous speakers have said, it raises a very important issue in this House. It raises the whole issue of volunteerism, the role of the individual in society and the responsibility of that individual to try to better his or her society by working through it in a non-profit, non-paid way. All of us feel, I believe, that this is the type of activity which deserves commendation, support and understanding, and we should work to promote it.

We have, however, a couple of problems with this bill, and this is in spite of the fact that from the standpoint of the taxpayer the changes being proposed are attractive. They would mean additional tax benefits to the majority of taxpayers. Unfortunately, these additional benefits would cost us, we estimate, in the neighbourhood of $500 million. That is a lot of money and we would have to find a way of raising that type of revenue.

Members opposite have, time and time again in the past, worried about small amounts they felt this government was overspending. Unfortunately we are in a time of tough restraint, and we cannot do everything that we would like. We do not have the money, and we must put our priorities in order. That is why the staggering amount of $500 million is a very sobering and chilling fact.

• (1750)

Mr. Nickerson: So is $12 billion.

Mr. Peterson: Twelve billion dollars is very big, and this would be approximately one twenty fourth of that. I believe that there is no disagreement among members of this House as to the value and the importance of helping voluntary, charitable organizations in their work. They deserve our encouragement and support.

The proposals in this motion are similar to the submissions which were made in 1978 by the national voluntary organizations. This brief attracted the interest of the hon. member who moved the motion which is presently before the House. It is important to examine the reasons why this brief was employed, and the principles which it set forth. The goal of this brief was to increase the level of public support for voluntary charitable societies and to improve the degree of equity in the manner in which the tax incentive was being applied. These are two key principles which we must look at—improved incentives for charitable donations to help the volunteer aspect in our society, and increased equity. I would like to turn for a moment to both of these issues.

[*Translation*]

Mr. Speaker, the motion provides for a possible change under the form of a tax credit to encourage taxpayers to make charitable donations. What would be beneficial in this case would be a tax credit which would be an identical incentive for all donors notwithstanding their income level. Even if their maximum tax rate is 15 per cent or 50 per cent, the taxpayers would take advantage of a tax credit equivalent to the same percentage of charitable donations. The present system which allows the deduction of charitable donations is discriminatory. Consequently, even if the federal treasury could not allow a tax credit of 50 per cent, we should still consider the possibility

of granting a reasonable tax credit; that is, we support as a rule the grant of a credit for charitable donations, because it is fairer for all taxpayers. I feel that it will be more difficult to justify the proposal offering a choice to taxpayers, either an income tax credit or the actual income deduction for charitable donations.

The income deduction would be a better choice for taxpayers in higher brackets; for example, if the tax credit were 50 per cent, the income deductions would be better for those having a marginal rate of taxation above 50 per cent. Such a choice, however, would maintain the discrimination for taxpayers with different incomes. It would also complicate income tax deductions since taxpayers would have to determine their charitable donations taking into account the two choices to see which one would be more beneficial.

[*English*]

The hon. member for Nepean-Carleton (Mr. Baker) pointed out the problem when there is both the option of the deduction and the credit. His points were well taken. I do not think that we could support that type of inequitable and complicated tax treatment, even though we want to encourage charities and volunteer work in our society. The hon. member for Nepean-Carleton also managed as he stated, in a non-partisan way, to attack this government for a number of its spending programs to which he took exception.

This government has put forward one major spending program in this session. It was less than the amount asked for in the bill. I refer to the GIS supplement. I am very proud of that bill because it was directed to those who are most in need at this time. It also indicates that this government was being responsible in the way in which it funded this bill and the expenses which would be incurred, and that is through a tax increase. This is a responsible government, and I would hope that the hon. member opposite will agree with me.

One of the criticisms of this motion by the hon. member for Winnipeg North Centre (Mr. Knowles) is what to do with the $100 medical expenses which we have at the present time. This deduction covers both charitable donations and allowable medical expenses. For all practical purposes it is applicable only to charitable donations, since relatively few taxpayers have deductible medical expenses because most of us do not have medical expenses of over 3 per cent of our income. The standard $100 deduction for medical expenses amounts to an exemption from taxation for everyone. This deduction costs the federal and provincial treasuries about $250 million per year, and that figure is not related to specific expenses. That is a lot of money. There must be a better way to deal with that $100 standard medical deduction.

Without that added cost, the government could introduce a tax credit for charitable donations with a fairly reasonable rate of credit. If we were to insist on this additional standard $100 deduction and still keep the level of fiscal support for charities at its present level, the rate of tax credit would have to be a great deal less.

Finally, I would like to raise briefly the broader question of how we might examine other ways to introduce fiscal incentives. They do not necessarily need to be fiscal incentives. They could be public sector incentives for efforts in the private sector in the field of charities and volunteer work. One such example was mentioned by the learned parliamentary secretary. An alternative approach which has the elements of equity, impersonality, an ease of administration is a system of percentage-matching grants. For example, for every $100 of deductions received by a registered charity, the government could provide a grant of $25. In this situation the government would deal directly with the charities. The donor would not be required to report his gifts on his tax return, and he would not receive the tax benefit.

In this situation, donations would be made with the knowledge that they were attracting public support to a level that might be decided upon by this House. This approach would not cost more than the existing tax incentive, and there is the real possibility that it would, to a great extent, meet the objectives of the national voluntary organizations. It is simply another approach to this difficult problem which we might consider which, I believe, has met with the agreement of both parties opposite, in terms of the principle which we are trying to promote.

Certainly we on this side of the House would support such an approach in the sense that what we would want to do is find a way to encourage more volunteerism in our society which can be found in many communities to be at a very high level. It is the type of approach—

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR SECOND READING OF BILL C-30

The House resumed consideration of the motion of Mr. Pinard that in relation to Bill C-30, an act to provide for supplementary borrowing authority for the fiscal year 1980-81, one sitting day shall be allotted to the further consideration of second reading stage of the bill; and that at 15 minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn,

every question then necessary in order to dispose of second reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

Mr. Deputy Speaker: Order, please. When this debate was interrupted at five o'clock, the hon. member for Gatineau (Mr. Cousineau) had the floor.

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, when I was interrupted at five o'clock I was pointing out the particular fondness the member for St. John's West (Mr. Crosbie) has for the word "budget." In my view, his unfailing and profound eagerness to have this government present a budget is inconceivable and exaggerated.

[*English*]

It took five months for the Conservatives, when in power, to convene Parliament.

An hon. Member: Four.

Mr. Cousineau: It took seven months for them to present a budget, yet now they ask this government for a budget after three months. How serious can they be? I must admit that the Conservatives certainly know the ways and means necessary to remain in opposition for 16 years.

An hon. Member: Oh, oh!

Mr. Cousineau: Hon. members opposite will have a chance and perhaps will find a solution next February. In the meantime—

[*Translation*]

Mr. Speaker, other members of Parliament have followed the ex-minister of finance, four from the NDP, two from the Liberals and 16 for the Progressive Conservative Party have discussed this bill. And is it not the member for St. John's West who, last May 28, complained of the fact that on October 23, 1979, when he was minister of finance, he had asked for a similar authorization? How fast he forgets. He did not mention this fact this afternoon. He complained of the fact that the opposition, nine Liberals, seven NDPs and two Conservatives had commented on the measure discussed for four days. Now the shoe is on the other foot.

During this second reading debate on Bill C-30, we have had 11 hours and 47 minutes of discussion and I sincerely believe that the speeches and observations of members of the opposition have touched upon all aspects of this bill and that this House could not be apprised of any new fact in my opinion which could be of some use to the Canadian population. For we should be thinking of the Canadian population. I congratulate the President of the Privy Council (Mr. Pinard) who has put forward this motion pursuant to Standing Order 75C.

Last Friday, I heard some members of the opposition use such words as shame, arrogance, closure, and in my opinion they should start getting used to the expression "limit on debate" and "waste of time". The government has taken its responsibilities, Mr. Speaker, and the Canadian people expect decisions to be made by this government even though members of the opposition do not see it that way.

To let the speeches continue at this point, Mr. Speaker, would be tantamount to shirking our responsibilities because I am told that 27 other Progressive Conservative members had indicated their intention of speaking on this bill. To bring in new facts? No, repetitions. I do not know how many NDP members would want to speak, but if 27 Conservative members were to do so, they would have the right to speak for 40 minutes each and we would have in this House 18 hours of debate, repetitions and filibustering, Mr. Speaker. If that bill is not referred to committee immediately, we will not be able to deal with the other legislation this government wants to bring in for the better being of the people of Canada. We are here to administer the country and that is exactly what we intend to do. The tactics of the opposition, whether the NDP or the Progressive Conservatives, may be considered by some as ways of expressing legitimate criticisms but, for others, nobody can deny that those tactics can and must be considered tactics of filibustering.

An hon. Member: That is right.

Mr. Cousineau: Mr. Speaker, what are the real intentions of opposition members in prolonging the debate? What objective are they pursuing? If the intent of the opposition, and more particularly members of the Progressive Conservative Party, were to prolong the debate to discuss this bill fully, if the intention of Conservative members were to bring out all the aspects of the bill and examine it under all its facets, that would be very legitimate intention.

But that is not the case, Mr. Speaker, that is not what is happening. After the speech by the former finance minister, the hon. member for St. John's West, what we heard was for a very large part imitations, *déjà vu* and always the same old things. The opposition already cried: Shame, and if the opposition talks about closure, I must say we have no intention of letting ourselves be affected by the blackmailing the former leader of the government engaged in this House this afternoon.

Mr. Speaker, I will conclude here because time is flying. Let me conclude by saying that it is the duty of the government to organize things and to thwart some. We are not through thwarting them, and organizing the proceedings. The government has the duty to organize the work of this House and to look after the initiatives that are taken here. That is what we are doing now and that is what we intend to do for the next four years.

[*English*]

Mr. Deputy Speaker: Order, please. It being 8.10 o'clock p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 75C have expired. Accordingly, under the terms of the

Standing Order it is my duty to wind up the proceedings and put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Pinard) which was agreed to on the following division:

● (2010)

(Division No. 6)

YEAS

Messrs.

Appolloni (Mrs.)	Duclos	MacEachen
Axworthy	Dupras	MacGuigan
Bachand	Duquet	Mackasey
Beauchamp-Niquet (Mrs.)	Erola (Mrs.)	MacLaren
Bégin (Miss)	Ethier	MacLellan
Berger	Evans	Malépart
Blaker	Ferguson	Maltais
Bloomfield	Fisher	Marceau
Bockstael	Fleming	Massé
Bossy	Flis	Masters
Buchanan	Fox	McCauley
Bujold	Frith	McRae
Bussières	Garant	Nicholson (Miss)
Caccia	Gauthier	Ouellet
Campbell (Miss) (South West Nova)	Gimaïel	Pelletier
Campbell (LaSalle)	Gingras	Penner
Chénier	Gourd	Pepin
Chrétien	Gray	Peterson
Collenette	Guay	Pinard
Comtois	Guilbault	Portelance
Cosgrove	Harquail	Prud'homme
Côté (Mrs.)	Henderson	Regan
Cousineau	Herbert	Reid (Kenora-Rainy River)
Cullen	Hervieux-Payette (Mrs.)	Roberts
Daudlin	Hopkins	Robinson (Etobicoke-Lakeshore)
Dawson	Isabelle	Rompkey
De Bané	Johnston	Rooney
de Corneille	Kaplan	Rossi
Demers	Killens (Mrs.)	Roy
Deniger	Lachance	Savard
Desmarais	Lajoie	Schroder
Dingwall	Lalonde	Simmons
Dion (Portneuf)	Lamontagne	Smith
Dionne (Chicoutimi)	Lang	Tardif
Dionne (Northumberland-Miramichi)	Laniel	Tessier
Dubois	Lapointe (Charlevoix)	Tobin
	Lapointe (Beauce)	Tousignant
	Leduc	Turner
	Lefebvre	Veillette
	Loiselle	Watson
	Lonsdale	Weatherhead
	MacBain	Whelan
		Yanakis—121.

NAYS

Messrs.

Althouse	Gustafson	Miller
Andre	Halliday	Mitges
Anguish	Hamilton (Qu'Appelle-Moose Mountain)	Munro (Esquimalt-Saanich)
Baker (Nepean-Carleton)	Hargrave	Murphy
Beatty	Hawkes	Murta
Blackburn	Hees	Neil
Blaikie	Hovdebo	Nickerson
Blenkarn	Howie	Nowlan
Cardiff	Huntington	Nystrom
Carney (Miss)	Ittinuar	Oberle
Clark (Yellowhead)	Jewett (Miss)	Ogle
Coates	Kempling	Orlikow
Cook	Kilgour	Paproski
Cooper	Knowles	Patterson
Crosbie (St. John's West)	Korchinski	Reid (St. Catharines)
Crouse	Kristiansen	Robinson (Burnaby)
Darling	Lambert	Roche
Deans	Lewycky	Sargeant
de Jong	MacDonald (Miss) (Kingston and the Islands)	Schellenberger
Dinsdale	MacKay	Scott (Hamilton-Wentworth)
Domm	Malone	Shields
Ellis	Manly	Siddon
Elzinga	Mayer	Speyer
Epp	McCain	Taylor
Forrestall	McCuish	Thacker
Fraser	McDermid	Thomson
Fretz	McGrath	Towers
Friesen	McKenzie	Vankoughnet
Fulton	McKinnon	Wise
Gamble	McKnight	Wright
Gass	McMillan	Young
Greenaway		Yurko—95.

[*Translation*]

Madam Speaker: I therefore declare the motion carried.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 64, 142, 144, 145, 146, 240, 258, 600, 608, 616, 647, 716, 721 and 741.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

IRANIAN ASSETS IN CANADA

Question No. 64—**Mr. Cossitt:**

What is the government's estimate of the total value of Iranian interests, ownership, dollars on deposit, etc., in Canada?

Hon. Pierre Bussières (Minister of State, Finance): From the information gathered on a regular basis, a satisfactory estimate of the total value of Iranian interests in Canada cannot be made as information with respect to private holdings or indirect holdings is not available.

VIA RAIL—FREE RAIL PASSES

Question No. 142—**Mr. Turner:**

1. What is Via Rail Canada's policy regarding free rail passes or reduced fares for its employees and their families?

2. Is the policy the same for employees of CN Rail and CP Rail and, if not, what is the policy for CN and CP employees?

3. Is there any limit on the use of the passes?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Via provides a pass good for free transportation system-wide to employees with one year's service, and to their spouses and dependants.

2. The policy is different for employees of CN and CP. By agreement with CN and CP managements and unions, such privileges apply only to CN and CP employees who had service prior to March 14, 1979.

3. The passes for Via employees with less than five years' service permit reservations on the day of travel only. The passes for CN and CP employees permit reservations only one week in advance of the travel date, and then only for an upper berth, or lower berth if accompanied by spouse or child.

VIA RAIL CANADA INC.—PROFIT MAKING ROUTES

Question No. 144—**Mr. Turner:**

1. Does Via Rail Canada have any trains which either break even or make a profit and, if so, what are the route numbers of the trains and their point of origin and final destination?

2. Could Via Rail Canada increase the number of profit-making routes if it had up-to-date equipment?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Fully allocated costs exceed the revenues received from customers on all passenger train services operated by Via Rail Canada Inc.

2. The revenue/cost rates could be improved on most passenger train services if up-to-date equipment was available but it is unlikely that any service could reach a break even or profit position in the foreseeable future on the basis of fully allocated costs and revenue from customers.

VIA RAIL—TICKET AGENTS—BAGGAGE HANDLERS

Question No. 145—**Mr. Turner:**

Are in-station ticket agents and baggage handlers employed by Via Rail Canada or by CN Rail and CP Rail?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): At larger stations where there is sufficient volume of work to justify a position devoted entirely to passenger service, the ticket agent or baggage handler is employed by Via Rail Canada Inc. At smaller stations these services are performed by CN Rail and CP Rail telegraph operators and the charges for this work are paid to the railways under the terms of the operating agreement between Via and CN and CP Rails.

VIA RAIL—BOMBARDIER INC.—TRAINSETS ON ORDER

Question No. 146—**Mr. Turner:**

1. How many Light-Rapid-Comfortable (LRC) trainsets are on order from Bombardier-MLW Limited to be delivered to Via Rail Canada?

2. What does each trainset consist of in terms of engines, steam units, coaches, club cars, snack cars, bar cars, etc?

3. Can the trainset be increased in size to allow for additional passenger-carrying capacity?

4. (a) On what routes will the trainsets be used (b) will they reduce the travelling time of these runs?

5. On what date does Via Rail Canada expect to put the trainsets into service?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Twenty-one locomotives and 50 coaches are on order from Bombardier Inc. (formerly Bombardier-MLW Limited) for delivery to Via Rail Canada Inc.

2 and 3. These trainsets can consist of one locomotive and up to five coaches or two locomotives (one at each end in a push pull configuration) and ten cars. As the trains have all electric heating with power supplied to the locomotive there is no need for steam units. Each car has provision for food and beverage service and adjustable seating to permit various interior configurations.

4. Detailed implementation plans are currently being formulated to ensure that the maximum benefit of this new equipment can be obtained within present operating constraints.

5. Bombardier Inc. have advised us that train delivery will occur in 1981 and revenue service can be expected to occur in either late 1981 or early 1982.

ECONOMIC DEVELOPMENT—INCREASE IN LEVEL OF RESEARCH AND DEVELOPMENT

Question No. 240—**Mr. Herbert:**

Did the Minister of State for Economic Development in a speech on September 23, 1979, state that the government is committed to increasing the level of research and development and, if so, in each of the next five years, by what annual percentage is it hoped that the level of research and development can be increased?

Hon. Marc Lalonde (for Minister of State for Economic Development): Yes, the former minister of state for economic development, the Hon. Robert René de Cotret, stated in a speech on September 23, 1979, that the government of the day was committed to increasing the level of research and development in Canada.

In the Speech from the Throne opening the first session of the Thirty-second Parliament on April 14, 1980, the government reaffirmed its commitment to increase Canada's over-all expenditures on research and development to 1.5 per cent of the value of the gross national product.

The government has under review its policies and plans for responding to this commitment which will be undertaken within the context of its broad policies for economic development. The government is not yet in a position to indicate the time frame for achievement. The federal government recognizes that it must consider increasing its own effort but also recognizes that, by international standards, the private sector must increase its commitment to research and development at an even greater rate.

POST OFFICE BOX—ANNUAL CHARGE

Question No. 258—**Mr. Herbert:**

1. What is the minimum annual charge for a post office box in a post office station or substation?

2. Does the cost vary by region or province?

3. Does the Post Office attempt to supply boxes to satisfy the demand?

4. Is a householder, already receiving letter carrier delivery service, entitled to a station post office box?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Fees for customers whose residence or place of business is located such that it is eligible to receive letter carrier delivery service, mobile delivery service, suburban service or rural mail delivery service on a frequency of five or six days per week are:

Box	Size	Fee
Style A	Approx. 10 cm X 14 cm X 35 cm	$ 10.00 per year
Style B	Approx. 15 cm X 14 cm X 35 cm	20.00 per year
Style C	Approx. 30 cm X 14 cm X 35 cm	30.00 per year
Style D	Approx. 30 cm X 28 cm X 35 cm	50.00 per year
Style E	Approx. 60 cm X 28 cm X 35 cm	75.00 per year
Bag service		75.00 per year

Keys for lock boxes—50 cents each.

Fees for all other customers are:

Style A	$ 5.00 per year
Style B	10.00 per year
Style C	15.00 per year
Style D	25.00 per year
Style E	35.00 per year
Bag service	35.00 per year

Keys for lock boxes—50 cents each.

2. No.

3. Every effort is made by Canada Post to ensure that all requests for lock box service are met.

4. A lock box may be rented if the "Application for Post Office box" completed by such a person is approved and the appropriate fee is paid in advance.

POULTRY PRODUCTION—NEW BRUNSWICK

Question No. 600—**Mr. Howie:**

Since April 1, 1977, what amount was paid to farmers in New Brunswick to assist with poultry production?

Hon. E. F. Whelan (Minister of Agriculture): None.

POST OFFICE—NUMBER OF LAWYERS EMPLOYED

Question No. 608—**Mr. Howie:**

How many lawyers are employed on staff in the Post Office Department?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Three lawyers (On Strength Justice Department).

DEPARTMENT OF LABOUR—LAWYERS ON STAFF

Question No. 616—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Labour?

Hon. Gerald Regan (Minister of Labour): Three (On Strength Justice Department).

SECRETARY OF STATE—THEATRE FOR THE PERFORMING ARTS

Question No. 647—**Mr. Howie:**

Since January 1, 1978, what amount was paid by the Department of the Secretary of State to each theatre for the performing arts or resident company in Canada?

Hon. Francis Fox (Secretary of State and Minister of Communications): From January 1, 1978, to April 30, 1980, inclusive, the following amounts were paid by the Secretary of State Department to theatres for the performing arts or resident companies in Canada for capital assets:

Adelaide Court, Toronto, Ont.	$ 300,000
Arts Club Theatre, Vancouver, B.C.	400,000
Blythe Centre for the Arts, Blythe, Ont.	76,000
Le Théâtre du Bois de Coulonge, Quebec, Que.	105,000
Canadian Puppet Festival, Chester, N.S.	25,000
Caravan Stage Company, Vernon, B.C.	18,000
Citadel Theatre, Edmonton, Alta.	500,000
Entre-Six Dance Company, Montreal, Que.	65,606
Festival Lennoxville, Que.	43,000
Kitchener-Waterloo Symphony Orchestra, Waterloo, Ont.	720,000
Le Centre culturel populaire Le Patriote Inc., Montreal, Que.	380,000
The Grand Theatre, London, Ont.	900,000
Massey Hall, Toronto, Ont.	5,000,000
Neptune Theatre, Halifax, N.S.	85,000
Theatre Beyond Words, Toronto, Ont.	12,000
Théâtre 3, Edmonton, Alta.	150,000
Théâtre de la Marjolaine, Eastman, Que.	65,000
Théâtre Sans Fil, Montreal, Que.	10,000
Toronto Dance Theatre, Toronto, Ont.	447,125
Toronto Free Theatre, Toronto, Ont.	46,500
Western Canada Theatre Company, Kamloops, B.C.	350,000
Young People's Theatre, Toronto, Ont.	200,000

AGRICULTURE—UNINSURED LOSSES OF VEHICLES

Question No. 716—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of vehicles recorded by the Department of Agriculture at page 12.62, volume I of the 1978-79 Public Accounts of Canada, for what reason was the loss of $14,908 unexplained?

2. What is the explanation for the loss?

3. On what dates and in what locations did the losses take place?

4. Did the department undertake procedural or structural changes to ensure that such losses do not recur and, if so, what were they?

Hon. E. F. Whelan (Minister of Agriculture): 1. An explanation of the losses sustained is not required to be reported for the Public Accounts of Canada.

Order Paper Questions

2. Explanation for loss			3. Date	Location
1975 Chevrolet pickup truck	Accident	$1,222	Oct. 20/78	Smithers, B.C.
1977 Dodge pickup 4 X 4	Accident	$2,172	Jan. 25/79	Williams Lake, B.C.
1975 Valiant 4 dr. Sedan	Accident	$1,001	Jan. 26/79	Nicolet, Que.
1975 AMC Matador 4 dr. Sedan	Accident	$1,875	Feb. 24/79	Toronto, Ont.
1978 Plymouth 4 dr. Sedan	Accident	$1,155	Feb. 26/79	Montreal, Que.
1977 AMC Hornet 4 dr. Sedan	Accident	$1,548	Apr. 05/78	Lethbridge, Alta.
1977 AMC Hornet Stationwagon	Accident	$2,350	May 03/78	Kentville, N.S.
1976 AMC Hornet Stationwagon	Accident	$1,222	Jan. 04/79	Halifax, N.S.
1967 Chevrolet pickup truck	Fire	$2,363	May 01/78	Melfort, Sask.
	Total	$14,908		

4. No. Departmental procedures to guard against these situations are already in place. Furthermore, all losses are investigated and corrective action undertaken.

NATIONAL DEFENCE—UNINSURED LOSSES OF MUSICAL INSTRUMENTS

Question No. 721—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 to miscellaneous items recorded by the Department of National Defence in footnote number 9 at page 12.62, Volume I of the 1978-79 Public Accounts of Canada (a) what musical instruments were involved in the theft and in what way does the department make use of them (b) did the department undertake steps to ascertain the present whereabouts of the instruments and, if so, what were they (c) was the thief apprehended (d) in what location did the losses occur?

2. Did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. (*a*) one tenor saxophone
one clarinet B Flat
two snare drums
one timbal set
two bongo drum sets
one drum major baton

The above instruments are used by authorized bands of the Regular and Reserve Forces.

(*b*) Yes. On discovery of the loss maintenance and issue records were investigated. It was found that proper records had not been maintained especially in respect of returned equipment from disbanded military bands and their subsequent reissue. Despite a thorough investigation including direct contact with all Canadian Forces bands, the missing equipment was not located and in the absence of any other explanation was considered either lost or stolen.

(*c*) No.

(*d*) Ottawa.

2. Yes. Strict compliance with accounting and control procedures is being enforced.

FUNDY NATIONAL PARK—POINT WOLFE RIVER—CONSTRUCTION OF FISH LADDER

Question No. 741—**Mr. Corbett:**

Were studies conducted with the intention of constructing a fish ladder at the dam site of the Point Wolfe River in Fundy National Park and is it the intention of Parks Canada to construct such a fish ladder and (a) if so, on what date (b) if not, for what reason?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): (*a*) Yes, studies by Parks Canada were conducted in 1974 with the intention of constructing a fish ladder at the dam site of the Point Wolfe River in Fundy National Park.

(*b*) Parks Canada has decided against constructing this fish ladder because of costs. In 1974 the proposed design would have cost $371,000 for an adequate fish ladder for the Point Wolfe River. Investigations are continuing to attempt to find an appropriate design for a fishway at a substantially lower cost.

[*Translation*]

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

Some hon. Members: Agreed.

● (2050)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed, from Thursday, June 5, consideration in Committee of the Whole of Bill C-19, to amend the Employment Tax Credit Act—Mr. Axworthy—Mr. Blaker in the chair.

On clause 1—

Mr. Hawkes: Mr. Chairman, I should like to begin with a question I asked for 20 minutes the other evening. The Minister of Employment and Immigration has had a little more time to gather information. Could the minister tell us what is his projection of the number of unemployed people in the country

in the next couple of years? In which months are we likely to see the highest unemployed number, and how many people is that likely to be?

Mr. Axworthy: Mr. Chairman, without wanting to indulge the time of the House even more than we already have on this bill, I should like to remind the hon. member for Calgary West that he has already asked that question and he has already received an answer.

Mr. Hawkes: I agree with the minister that I have asked the question in several different ways, but I have not yet received an answer. If one would like to check *Hansard*, one could find that out. Could the minister tell us how many of the research officials in his department are involved in the business of forecasting in relation to unemployment?

Mr. Axworthy: Mr. Chairman, I am afraid that the hon. member for Calgary West has developed a strong mental block about the matter at hand, and perhaps about other matters as well. We tried to indicate to him in committee the other night that the responsibility for forecasting economic conditions in this country was primarily that of the Department of Finance. The Minister of Finance already presented his forecasts to this House in his economic statement several weeks ago. Those are the forecasts upon which the general projections of the government are made. Our own analysis is to examine the particular regional breakdowns and demographic breakdowns which I gave the hon. member the other evening. If he wants to refresh his memory, I would suggest that he follow his own advice and read *Hansard*.

Mr. Hawkes: Mr. Chairman, sometimes it is difficult to read through the rhetoric and get to the facts. But I suggest that there are no figures in *Hansard* given by the minister in relationship to the kind of breakdown he just talked about.

I will switch my focus for a while. The minister has sat through several hours of debate in relationship to this bill. During the course of that debate, members on both sides of the House raised several issues which suggest that the bill in fact may be somewhat weaker than it appears at first glance. I think we should remember that this legislation has been in place for a couple of years now, but one of the issues which has been raised is that the jobs are not truly created jobs. In fact the employment tax credit bill is used by employers to fund jobs which already exist or would have existed in any case. Does the minister have any research on the proportion of jobs he would classify as being created under this legislation versus jobs that would ordinarily exist?

Mr. Axworthy: Mr. Chairman, again to repeat, I think for about the fourth time in this House, when an employer applies for assistance under the tax credit bill he is required to put down exactly the number of workers in his physical establishment at the present time and to indicate the additional workers he actually wishes to hire through the tax credit program. That is a condition of the application.

There is absolutely no way, unless we are somehow to put a stethoscope against the internal workings of every employer's man who makes an application, to determine whether or not in fact in the future he would be hiring those people. But we are satisfied, after some margin and an interim evaluation, that the incrementality of the program is around 60 per cent. So, that is a judgment call. At this point in time there is absolutely no way of establishing firm criteria until we have had far more experience with the program. It has only been in operation for two years.

I can indicate to the hon. member that similar types of programs have been put into effect in other countries, in Europe and in the United States. They have had varying degrees of success, ranging all the way from 20 per cent to around the 60 per cent or 70 per cent level. The best way the hon. member could probably get his answer is if he and his colleagues allow us to pass this bill, so that we can put it in operation and go on further with the experience of the bill to see how it works.

Mr. Hawkes: I think the minister is suggesting that we give him a blank cheque without examination. To members on this side of the House who value freedom of speech and the freedom of inquiry, that suggestion is totally unacceptable.

Is the minister familiar with a recent report out of the Brookings Institute where similar tax credit programs were examined? If he is familiar with that, could he tell us what their experience was in terms of the measurement of whether or not jobs were truly created?

Mr. Axworthy: Mr. Chairman, I will simply tell the member that we do not allow our employment policy to be made by the Americans. Therefore, we do not use American criteria to judge the success of our own program. If he in fact wants to have a debate on American employment programs, I suspect that he should go down there and engage in a congressional committee debate. We use our own evaluation in our own programs that are designed by this Parliament and by this government to suit Canadian conditions.

Mr. Hawkes: Could the minister make a commitment at this time to give us the research study on which some of his answers are based in terms of Canadian experience? Is he prepared to provide that study to the opposition?

Mr. Axworthy: Mr. Chairman, I am quite prepared to give the study to anybody who would like to have it, as soon as it is finished and completed and after this bill is passed and we have had a chance to do a proper evaluation.

Mr. Hawkes: Is the minister saying that he is prepared to provide the study after the bill is passed? Is that a condition, that we must pass this bill before he will give us the study? Is that what he just said?

Mr. Axworthy: Mr. Chairman, the hon. member for Calgary West is really trying to suggest that somehow—we have now been in debate on this bill for an exceptionally long time, which is fine with me. If he is so all-fired interested in getting

an evaluation, he should know that we can only evaluate a program when it is in operation. The problem right now is that we have suffered an hiatus for several weeks in the operation of that program.

We brought this bill in within two days after Parliament opened, on the grounds that we wanted to give it a high priority so we could maintain the continuity and the momentum the program had built up. We have now gone through close to 12 weeks of debate and discussion on this. Until we are able to put the bill back into effect and get it freely operating again, the evaluation, which was ongoing and scheduled to be completed this coming summer or fall will have to be extended much further because we cannot evaluate what in fact is not there.

● (2100)

Mr. Hawkes: Mr. Chairman, I am now getting a little confused. The minister said there was a study in progress that was not complete, and now he is suggesting that he cannot study the program unless he gets an extension. Could he clarify that for me?

Mr. Axworthy: Mr. Chairman, I would suggest it is not just now that the hon. member is confused, it is almost a permanent condition. It is something I guess we will simply have to accept. The fact of the matter is that as a trained social scientist he should know something about longitudinal studies, and realize that one has to have a certain length of time in order to evaluate any public policy. We are saying this particular program has only been in effect for two years. There are certain interim reports that have been used to suggest that it has provided some degree of success in creating jobs, so much so that my predecessor, the hon. member's former colleague, was so all-fired and excited about it he was going to build his entire employment program on the tax credit concept. Obviously in the learned judgment of my predecessor something was happening that was right.

We on our part did not feel that tax credits, solely by themselves, provided the total answer, and that is why we have provided a mixture of programs, which I think is a more proper and effective way of delivering employment programs. If the member wants to use some authority, because he obviously does not trust that which has been given to him from this side of the House, I suggest he go and make the same kind of assessment made by his former colleague and by his own government when they planned their program and announced it on the famous night of December 13, when they suggested the tax credit was going to be the solution to all our unemployment problems.

Mr. Hawkes: I wonder if the minister could tell us whether he has read the employment tax credit bill which his predecessor had ready to bring to Parliament just prior to the dissolution of the last Parliament. Has he read that bill?

Mr. Axworthy: Mr. Chairman, I have certainly read a great deal of material but I am not in the habit of reading bills of a previous minister. We know the rules of the House. We started anew. I was not privy to much of the internal assessment. We have certainly assessed the tax credit programs as they were there, and concluded that they play a certain effective role in terms of the over-all production of job-creation programs. The fundamental error and flaw in the approach taken by the previous minister and the previous government were that they were going to rely solely upon the tax credit approach and not provide any direct employment creation that could be targeted to special needs. We felt that was wrong, because the tax credit program tends to have a bias, as we have said in this House, and tends to be more applicable to areas where there is a high degree of manufacturing and it does not apply as well in rural areas particularly where there are areas of high unemployment. That is why we have switched the program.

Mr. Hawkes: Once again the minister is confusing me. He says on the one hand he has not read the previous bill and then he makes a statement about what it would and would not do. Could the minister clarify whether he has read that bill or has not read that bill?

Mr. Axworthy: Mr. Chairman, there was not a bill. There was a policy announced at 8.15 on whatever day it was, Wednesday night, because my predecessor did not have quite the same ability to predict the vote outcome as did the House leader on the opposite side at that point in time. Unfortunately he never got the chance to present a bill to this House. All he could present was an approach, and a program, which were based solely and entirely upon the tax credit scheme, the very scheme which the hon. member is now questioning. I think it is unfortunate that he did not have the opportunity in his caucus at that time, or did not have the freedom to question his colleague, the previous minister, on the tax credit approach that the Tories were going to present. What we are simply saying here is that we were the original authors of the tax credit scheme. We think it has a certain value within a total arrangement, a job-creation initiative, but it is not by any means the only answer. That is one of the major differences between them and us.

Mr. Hawkes: Mr. Chairman, I wonder if the minister would undertake to check with his deputy minister? I made the point the other night that the Committee of the Whole involves a different process than debate. The Committee of the Whole stage exists, as does the standing committees of the House, to provide an opportunity to members of Parliament to get detailed information from ministers. I suggest to the minister that the bill does exist and that his deputy would have it; that it is in fact in the form of a tax credit bill, but it is not the same bill we are examining here this evening. In fact there are significant differences, and I would like an undertaking from the minister to have himself briefed on that bill before he appears before us again so we might discuss the differences between that bill and this bill, and we might have a discussion as to whether that bill might do a better job in the creation of jobs than the one we have before us tonight.

I want to ask the minister next, however, whether he has given serious consideration to wage subsidies as opposed to tax

credits in terms of creating jobs where jobs are needed. Have you given serious consideration to that?

Mr. Axworthy: Mr. Chairman, when it comes to the hon. member's suggestion that somehow there is a great sort of secret solution lying somewhere in the catacombs of the department, I would suggest to him that we have examined what has gone on previously and have concluded, as we have said in this House several times, that we believe it is time the entire arrangement and initiatives in the job creation field be reviewed. Our proposal here is simply to extend this tax credit for a further year so we can maintain the momentum of some job-creation in Canada while we attempt to appraise more clearly and realistically what changes are taking place in the economic and industrial structure of Canada. We have announced to the hon. member several times, and we have sent him reports, papers and releases outlining that we are doing that.

We are examining a range of options, including wage subsidies, grants, and training programs. Before we start simply hanging on to sort of panaceas, which seem to be the hon. member's obsession, we want to take a longer-term view of the employment situation in Canada, take a particular look at the question of the demand for new skills, and the changing nature of economic conditions, which the international scene and the resource scene are requiring. We can then determine a program upon which the government can base a whole set of initiatives, rather than coming at it in a piecemeal, ad hoc fashion.

I would simply say to the hon. member that the range of options he is interested in is being examined. We have indicated to him and to other members of this House that we have presented a paper on employment to this House. There is a parliamentary committee which has now been formed that will also be examining the range of solutions and will reach its own conclusions. They will be mixed with the reports being done by my own department, and out of that we hope to be able to come forward with a proper package of answers that are not sort of off-the-cuff, sort of instant answers, but ones that will serve the long term. That is my intention, and I intend to hold that intention.

Mr. Hawkes: Mr. Chairman, I am encouraged by the minister's description of the last nine years of Liberal policy in this field as a panacea, rather than as an attempt to get at the structural unemployment which exists. If he is sincere I applaud this long-range effort. Let me get to a few other specific questions which have arisen in the course of the debate on this bill to this point.

The hon. member for Athabasca at one point brought the minister's attention to a situation in which an employer put in a job request, and in the normal, natural course of events an employee of Manpower and Immigration would go out and attempt to talk him into participation in the tax credit program. The minister has now had about four weeks to examine that situation. I wonder if he could tell us what he has found out, and whether he has found any similar situations in Canada.

Mr. Axworthy: Yes, Mr. Chairman, I did ask my department to check into the conditions raised by the hon. member for Athabasca. I can only say, if that was the statement made by our official, it was clearly a misinterpretation. We have not had other cases of that kind, because we do provide a very clear examination, and I intend to write the hon. member for Athabasca setting out that particular case. We have not had other reported cases of a similar kind.

• (2110)

Mr. Hawkes: Does the minister have an estimate for the number of proportion of firms in Canada that are in a position to partake in this program and get the full tax credit?

Mr. Axworthy: Mr. Chairman, the past record shows that all employers in this country who want to provide incremental employment are eligible as long as they can demonstrate that they are providing a certain fitness. We do not accept applications from people who are just starting up in business. They must have a track record of some 12 months in operation, and it is available to any other employer. I would like to point out that in a survey it was indicated that some 92 per cent of the employers were very satisfied with the program and would like to see it continue.

Mr. Hawkes: Could the minister tell us how many jobs have been created in the two years of experience of this program? What is the dispersion of those jobs, that is, now many in Quebec, how many in Ontario, and how many in the rest of the country?

Mr. Axworthy: Again, Mr. Chairman, I would like to say that if the hon. member will refer to the second reading debate in *Hansard*, he will find all the answers to those questions.

Mr. Hawkes: I read what the parliamentary secretary said about that. I think that the total was 45,000 jobs of which 7,500 were created outside the provinces of Ontario and Quebec, that is, 7,500 jobs for eight provinces, the territories and the Yukon. Is the minister satisfied with that dispersion pattern as it relates to unemployment figures in this country?

Mr. Axworthy: No, Mr. Chairman, and that is why we brought in additional job-creation programs, so that we would not have to rely solely upon the tax credit approach which has more general application in the areas which I mentioned just 15 minutes ago, the areas which have higher industrialization. That is the reason why we brought in additional job-creation programs which we announced one week ago tonight.

Mr. Hawkes: In that same report from the parliamentary secretary which he gave during his contribution to the debate, he suggested that approximately 38 per cent of these jobs went to women. In this program which was announced in this House a week ago today, there were 12,200 jobs created for women, out of a total, depending on which set of numbers one uses, of

31,000, 81,000 or 192,000 jobs. But certainly considerably less than half the jobs in this new job-creation program were created for women.

It seems to me that the combination of the employment tax credit program and the program which was announced in this House one week ago perpetuates the disadvantage which women face in the employment market in Canada. They represent approximately 45 per cent of the unemployed, and the sum total of the programs advanced by this minister contributes to that imbalance. They get less than their proportion of the share. I wonder if the minister is reconsidering any of those programs to make sure that women get their fair share of the jobs that he is creating.

Mr. Axworthy: Mr. Chairman, as we have seen in the past, the hon. member is not quite accurate in his use of the statistics. If he looks at the number of jobs created for women through the two programs announced and those programs which are ongoing such as Canada Works and the summer employment training programs, he will notice that over 40 per cent of the places being provided for are for women. In particular, we initiated special programs to provide for a breakdown of those barriers which inhibit the participation of women in the labour force, such as the program to provide incentives to employers in non-traditional work and in the community services employment program which will not only employ large percentages of women but will also provide support services in the child care field which will enable more women to come into the work place.

As I indicated when I announced those programs, if they prove successful, and because we are working on the basis of one half fiscal year, we will add additional funds if they seem to be the answer to that very important problem. In addition, I have also indicated to this House that we plan to take steps in the area of affirmative action, in the area of unemployment and others, to make it easier for women in the work place and to reduce the barriers. As soon as we have the opportunity to bring those matters before cabinet, caucus and Parliament, they will be introduced. I would remind the hon. member that we have been here for only three months, and we have already accomplished far more than his colleagues in their nine months in office.

Mr. Orlikow: Mr. Chairman, I want to begin by reminding the minister of some questions which we asked last week when this debate began. We tried to get from the minister the estimates which his department has made of the number and percentage of Canadians who will be unemployed in 1980. Since that discussion last week, the U.S. figures have come out. They indicate what most people knew and what I think President Carter had admitted, and that is that the United States is now in a major recession. The unemployment rate, and I am taking it from memory, was the highest ever since World War II, at 7 per cent. One million people joined the ranks of the unemployed in the last month in that country. The United States is our biggest customer as we are their biggest customer, and their recession will obviously be mirrored and followed in Canada. Could the minister give the estimates of his department, or any other agency or department within the government, as to the prospects for the coming year in Canada?

Mr. Axworthy: Mr. Chairman, that is about the same kind of question which the hon. member for Calgary West asked. The answers are going to be about the same. The first is that, in the statement presented to this House, the Minister of Finance gave the kind of forecast that we could expect within the range of fallibility, that is as primitive as economic forecasting obviously appears to be, that we could, depending upon all of the mixtures in international and domestic conditions, expect the employment rate to be somewhat above 8 per cent in the next year. This conforms to the predictions and projections made by the previous minister of finance in his late, unlamented budget. That is guesstimating.

As we well know, the ability to project those figures into the future is a very uncertain ability. But if the U.S. economy continues in its very severe recessionary pattern, then we can expect to have certain impacts in this country that we will have to try to offset, which is what we are trying to do now in the initiatives taken by a variety of departments in this government.

Mr. Orlikow: When the Minister of Finance made his speech some weeks ago, the extent of the depth of the U.S. recession had not become evident. The estimates of the Economic Council, the Conference Board in Canada and several economic analyses had predicted that the rate of unemployment which has been running at 7.5 per cent of the labour force would rise in 1980 to 8.3 per cent. Just last week Wood Gundy predicted that unemployment would rise to 9 per cent. I suggest to the minister that if we are facing that kind of problem then all the programs proposed by his government will do very little to deal with the severity of the situation.

However, I want to raise a different aspect of the problem. Whether the rate be 8.3 per cent or 9 per cent for the country as a whole, what we have seen for many years in this country is that the rate varies a great deal from province to province and from region to region. The province of Manitoba, which the minister and I both represent, has a relatively low rate of unemployment. But certain groups, particularly our native people, have unemployment rates, not of 8 per cent or 9 per cent, but at least, for part of the year, running anywhere from 50 per cent to 90 per cent.

• (2120)

The question I want to ask the minister is about the new objectives and the new attempts to be made by the government in the next year or two, to deal with the ever-increasing and more serious problem of groups of people with special problems whose numbers are growing at probably twice the rate of the population as a whole. The age group is getting younger and most of them are not equipped by our education or manpower training programs to find jobs on the reserves or in the urban communities. They are moving in greater numbers

to these urban communities and, through no fault of their own, become almost a permanent burden. What new programs, if any, will be available for these people?

Mr. Axworthy: Mr. Chairman, I certainly share the concern of the hon. member for Winnipeg North about the problems faced by native people in this country. In the job-creation programs announced a week ago, we took special care to highlight the initiatives which are particularly directed toward assisting native people.

Let me mention two of those initiatives, Mr. Chairman, which I think point the future direction of this government. One is the substantial additional amount of money put into native training. I believe one of the major opportunities in Canada at the present time is the jobs that will occur as a result of resource projects, particularly in western Canada. Up to this time, unfortunately, native people have not benefited from job-creation programs, primarily because of their lack of skills. The whole point of the programs is to find a variety of ways of upgrading and initiating skill training for native people in those areas.

Since the announcement of the programs I have had a variety and a multitude of representations from native organizations in western Canada. They have made suggestions about how the funds can be used to set up new training programs to begin developing skills for their people in the bands and non-status communities, so that they can ride the momentum created by the resource projects.

I would say, therefore, that there already is a major new initiative and, if it is successful, then we can expand upon it and work in co-operation with the Department of Indian Affairs and Northern Development to develop further training opportunities for native people.

The second initiative is the LEDA program, Local Economic Development Assistance, which is designed to provide for communities—in large part native communities—the means to build and establish long-term economic development so that they will not continually have to rely upon short-term jobs. We have been able to set things in motion in their communities to ensure longer-term economic activity.

We have the opportunity to put ten, 15 or 20 of these projects in place within the next six months or a year. If the moneys are taken up and results begin to show by the development of community economic organizations across the country, then we will be in a position to provide further finances and ensure their development in the longer term.

These are the initiatives taken through my department. I know that my colleagues in DREE and the Department of Indian Affairs and Northern Development also have major projects to assist native people. DREE contributes close to $30 million per year to the Northlands agreement which is almost exclusively used for native people. There are many other initiatives and some of them are being reviewed. There is a task force and a parliamentary committee, so in part it is up to them to suggest the kinds of initiatives that the hon. member would like to see, and based on some of the experiments and new programs that we are trying.

Mr. Orlikow: Mr. Chairman, last week when we were debating this bill the minister said that his department was spending more than $800 million per year on manpower training. The people who lack basic skills come to a large extent from the native communities or our new non-English or non-French-speaking immigrants. For a number of years the amounts allocated for manpower training have been cut. These are the funds used by the department to purchase places in our community colleges and technical institutions. I think the minister agrees that a major effort ought to be made to break the cycle of poverty and lack of education so prevalent in some communities, rather than increasing the funding for this kind of program. A great many of these people simply cannot qualify for the programs offered by the community colleges.

The minister referred to the success of the program operating as a result of the agreement between the federal government and the province of Manitoba through the Northlands agreement. Manitoba's success in training native people to become teachers is an amazing, fascinating story. It must be understood, however, that many native and immigrant people do not have the qualifications on paper that are necessary to enter the community colleges. Instead of an increase in programs aimed at these disadvantaged groups, there have been cutbacks. I would ask the minister whether we can look forward to an increase in that kind of spending?

Mr. Axworthy: Mr. Chairman, normally we have to look at the over-all training program, but we are in a position now to renegotiate the adult occupational training programs with the provinces. This is to be reviewed this year and we will have a chance to sit down with each of the provincial governments—I have already met with each of the ministers on a preliminary basis—to discuss with them whether the mixture of institutional training programs versus industrial training programs should be altered. As the hon. member knows, the provinces supply the training places, which we buy from them, in their community colleges and institutions.

I have already met with the ministers of manpower and labour in each of the provinces and indicated that we would like to review the formula for funding to see if we are getting the most effective use of our money.

Beyond that, we should consider working with native organizations so that they can establish their own training programs at their own institutions. Saskatchewan has made a proposal to this effect and there is some discussion about it in Alberta. I have met with native organizations in those provinces to discuss how our new native training programs can be used to help finance those intiatives. It all comes back to the proposal put forward by the Minister of Indian Affairs and Northern Development that native organizations should have more autonomy in the economic field and make decisions for themselves. Through our native training programs we hope to be able to encourage and facilitate that development so that they will have more to say about the kind of training that would suit

their purposes. That is one of the directions in which we are moving in our discussions with native organizations across the country.

Mr. Orlikow: Mr. Chairman, there is no one who believes more than I that one of the main reasons native people have not progressed as far as they should has been the paternalistic and dictatorial attitude of governments which are almost exclusively white. For more than a hundred years they have told native people what to do to get the meagre assistance which has been available to them.

● (2130)

To the extent that the native people will continue to live in their own communities, let native organizations have control over the kind of training that is carried out and meets the needs of those communities.

I can only talk from personal observation about Winnipeg—I am sure my colleagues from Regina can talk about Regina—but what we are seeing in Western Canada is a very marked movement, which has gone on for a number of years now, and which is continuing at an accelerating pace, of native people into our cities. When the native people come to our cities and they start to look for work, they are going to have to meet the standards of the employers, whether it be in the public or the private sector.

I believe it is the right of our native people, like any other Canadian citizen, to decide and to choose where to live. But the native people are choosing to move to the urban centres. I feel it is very important that we make it possible for them to get the training, to get the education and to acquire the skills which will permit them to get adequate and reasonably well-paying jobs in the cities. Without that these people cannot find housing or have any kind of a living except getting the bare necessities through welfare.

I am sure the minister knows of this situation from personal observation as well as I. In our community colleges and in other training institutions in those cities, in those provinces where there is this movement into the city, I hope to see a major effort different than it has been up to now, to try to bring these people into the main stream of our life so that they can live as other people in our provinces do. I do not believe that we have seen that up to the present time.

Miss Campbell: Mr. Chairman, I have a number of questions for the minister. I happened to be around when the government of the day passed this legislation. I felt it would be appropriate legislation giving incentive to employers to find new jobs. But it is rather disappointing, to say the least, that when one starts looking at the figures, I think out of the $100 million that goes into this program, probably about .01 per cent comes back to Nova Scotia. That would be about $1 million. If one looks at the southern end of the province having 10 per cent of Nova Scotia's jobs created, it comes to about $100,000.

Before expanding on that point, perhaps the minister could tell me whether there is a difficulty in the southern end of Nova Scotia or in these areas of using this program to create jobs. When this employment tax credit bill was created, I spoke favourably and I hoped that the people in the area would benefit. I have encouraged companies in my region to go into it, but apparently they are not taking it up. Has the minister any given reasons why, in southern Nova Scotia, they cannot seem to create jobs, and lasting jobs?

I ask the minister if there is a different rate for different areas of the province in Nova Scotia, or is it all one rate job creation? I would ask also what that rate would be in the southern end of the province. Is it $2, it is in some areas of Quebec, or is it less than that as a job incentive tax credit?

These are a couple of concerns. Would the minister have any response as to why this program does not seem to go over in high unemployment areas, such as the southern end of Nova Scotia?

Mr. Axworthy: Mr. Chairman, I suggest one reason why the program did not enjoy success over the past year was that we lacked the competent and effective services of the present member for South West Nova who would provide the kind of educational and distributional material for which she is so well known in her riding. We probably suffered for her absence in getting the program accepted during that period of time.

As I have said in the past, the tax credit program is not a program that is necessarily applicable in all regions of the country on equal rates. It does depend on the existence of a body of employers who have the initiative and the ability to take up the program.

In some areas of the country where economic conditions are not prosperous, where there is high unemployment, obviously the tax credit is not particularly appropriate. That is why we decided that rather than again relying solely upon the tax credit as the only job-creation measure, we would reintroduce direct job creation, such as the Canada Development Program, which I can assure the hon. member will have a much larger degree of investment in that part of Nova Scotia than she would have had under the previous government's program.

Miss Campbell: Mr. Chairman, I was around when the amendments were made to the Unemployment Insurance Act. We were supposed to be saving about $1 billion and reinvesting it into employment programs. One of the reasons why we could come up with this employment tax credit was that it had an appeal not only to corporations and companies to give the incentive to create, but it was supposed to create jobs. I think that some of the amendments to the Unemployment Insurance Act took away millions and millions of dollars from the southern end of the province and created lots of confusion as to the amount of the numbers of weeks because of the variable entrance requirements last year. Then I look at a program like this. I think there were 65 jobs created in 1979 to 1980 in two manpower offices in my riding.

We can talk about other programs, but this happens to be very effective in some areas of the country. Maybe it is effective in areas that do not have high unemployment. I still cannot understand why we are not getting people in the area to

extend this concept to these areas, for example, mine. It seems to me they should be willing to take on a tax incentive because they should be looking for the tax breaks. Is it because we just do not have the money to create jobs? Is it the chicken and the egg, and one is not there?

Concerning the additional jobs created, and I think of the many people who were unemployed last winter because of the amendments and because of the variable entrance requirements by which, come October, they needed 17 weeks, come November they needed 18 weeks, and come December they needed 19 weeks, these variable entrance requirements could not create jobs. They were not going to create jobs at that time. The employment programs that have been brought out in the past are all reflective on economic statistical regions within Nova Scotia. If you happen to have an area that is lumped in with a very highly developed area, your area is still not going to receive any benefits, and will be penalized for being in a highly developed area.

I have already asked this evening whether the amount paid to the employer as a tax incentive is different throughout Nova Scotia. Is it dependent upon these economic regions? Does the minister have any information available? And could he come up with it tonight whether Nova Scotia gets a uniform rate or is it tied into the economic regions?

● (2140)

Mr. Axworthy: Mr. Chairman, the hon. member should understand that the application of the employment tax credit is not allocated according to constituency or according to any allocation based upon statistical regions. It is a national program that is available to any employer throughout Canada. There is no stipulation that only so many jobs or so much of the allocation can go to a particular region. It depends upon the take up of that region.

I would indicate to the hon. member that, while I cannot give her a breakdown in terms of individual constituencies, within the province of Nova Scotia itself, in the last fiscal year, close to 1,000 jobs were created with the employment tax credit program, which is a substantial investment by this government. In terms of the actual rate of salaries in Nova Scotia, the salaries paid to workers under the employment tax credit program averaged about $166 per week, which is above the minimum wage in this case.

Those statistical breakdowns I can give the hon. member. If she would like, we can try to refine it even further. I suppose we could back to the computer tapes and try even closer to determine her riding. She should not make the mistake of assuming that this program is in any way dependent upon the statistical regions that are used by unemployment insurance. The two are quite unrelated.

Miss Campbell: Mr. Chairman, the only brochure I have available right now is the one for Quebec. I notice that in Quebec there are three hourly rates. I am just wondering if that has something to do with economic regions and their development in those areas. That is why I was wondering about the province of Nova Scotia.

My information is there were 644 jobs created in Nova Scotia. If there were 1,000 as the minister says, and only 65 out of 1,000 in my area, that means a lot less than 10 per cent of the jobs were created in the southern end of the province in those two manpower offices. Perhaps the minister might be able to provide me with that information. If we continue at another time, I might be able to get that information from him.

I cannot stress to the minister how important these economic regions seem to be, not only to manpower and employment areas in Nova Scotia, but for development purposes and DREE purposes. If you are locked in to a very highly economic region, you are going to be penalized.

An area like Truro, Nova Scotia, which is economically well off, is in an economic zone and tied into an area that does not have low unemployment. An area such as the town of Truro will benefit by a high unemployment rate because of the average of it and therefore will not be penalized. The only area aside from the Halifax area that I can see that was penalized would be the southern end of Nova Scotia because it was locked in with Lunenburg, which is a highly developed area, one of the best-off areas in the province of Nova Scotia.

When you come to employment programs, we waited for many years for a community employment strategy program to come into the area. It was designated to come in a number of years ago. However, we went into economic regions and it went to other areas where there was a higher unemployment rate. We got into Canada Works or Young Canada Works, and again we were penalized by an economic region that was too high. I am wondering if the same applies to this employment tax credit. I will be very upset if it does, because at the time the amendments were passed to the unemployment insurance, one of the reasons the $1 billion supposedly being redistributed was to create jobs elsewhere. This was one of the programs that was approved for spending. Yet if I only see 65 jobs and there is a failure rate in those 65, perhaps over a long term, what do we do with the $100,000 that came back, if it is 10 per cent to that area to create jobs out of the totals of millions that we lost because of those? I am just wondering if at some future time I might be able to find out if this hourly rate is different throughout the province of Nova Scotia and is it dependent on economic regions?

Mr. Axworthy: Mr. Chairman, I would like to put the hon. member's mind at ease. The rate is entirely the same for the province of Nova Scotia. It is a $2 rate. Just to ease her concerns further, I would like to indicate to her that the $2 rate also applies to certain regions in Quebec, with the exception of the Montreal-Hull area. It is also excluded in the southern Ontario area, plus southern British Columbia and southern Alberta which are at the $1.50 rate. The rest of the country is at $1.75. That is why the hon. member finds there are three rates in the province of Quebec upon which this is allocated.

Again, it would be wrong for the hon. member to assume that programs such as the employment tax credit and other programs that were announced are entirely and totally related to the regions established under the unemployment insurance program. As the hon. member knows, having been a member of the House when the debates were on regarding the changes to that act, there was agreement in this House by all parties that there had to be a variable entrance requirement at that time. It had to be gauged by finer-tuned economic regions in order to ensure that there would not be an enormous overrun in the costs of unemployment insurance.

When she asks, for example, about the community development strategy, we have restored the community development strategy. That is not related to economic regions. It is related to the initiative of the member of Parliament in that area developing a project with the local people and, if she will bring it forward to me, we can get it off the ground. They are not in any way geared at the present time to economic regions. They are geared more to the ability of different communities to work with the local businessmen, local communities, local municipal councils—

Mr. Kempling: Speak to the Chair. We would like to hear what you say. We do not like to look at your back.

Mr. Axworthy: Why don't you open your ears if you want to hear? Those kinds of initiatives are really being taken on the grounds there has to be some basis in the Unemployment Insurance Act for establishing regions that most of the job programs are not related to those economic regions. They are related either to the constituency itself or will be applied on a broader regional basis or on a national basis.

Miss Campbell: Mr. Chairman, I realize the employment strategy programs the minister brought in last week and plans to discuss later, but I did not think there was any particular program whereby the member of Parliament alone could get at certain specific funds unless it was a greater package that was distributed to economic regions. I am not going to get into that because I plan to discuss that at another time and place when we do that bill.

I am discussing an employment tax credit that does not seem to benefit a high unemployment area which is not recognizable. Therefore, out of that $1 billion saving and the agreement of this government to proceed with that program, it seems there should be another return to that area, and jobs are not being created by such a program.

I reiterate that an area such as the southern end, rural and fishing, with all the economic benefits of the 200-mile zone and access to the fish, cannot seem to use this program. We can talk about the initiatives of a member of Parliament. That is fine. But there must be other reasons why this program is not being effectively used. It does not seem to be meeting this. I am curious to know what they are.

I am not against the idea of the tax incentive, but there must be reasons why we cannot seem to do this. Is it our manpower offices, that they have not got the capacity or the ability, or is it that the program does not apply to this region?

Mr. Axworthy: Mr. Chairman, I would simply suggest to the hon. member that probably there is no one in this House better able to give that answer than herself. She would be much closer and would have the access to the employers and the people in that community. I would very much welcome it if she were able to provide some kind of survey or assessment as to why there is not a take-up in that riding. I would be very pleased to hear the hon. member's representations with regard to that.

• (2150)

We do advertise the program—it is advertised through the manpower and employment offices—but it is the employers who are required to take the initiative in applying; there is nothing the federal government can do to force people to apply. But in cases where a tax credit is not taken up we provide an alternative by way of other direct job-creation measures. That is where our philosophy is substantially different from that of the Conservatives who relied almost exclusively upon a tax credit at the expense of direct job-creation programs which they cancelled.

Mr. Shields: Mr. Chairman, the minister alluded earlier to the question I raised when I spoke on this bill when it first came to the House. I suggested there were abuses. The minister indicated that he had checked with regard to that aspect. How did he carry out this check in other centres, and what means did he use?

Mr. Axworthy: As I explained, there is a built-in check already in the program. When an employer applies for a tax credit he must establish base line data in terms of present employment structure. He must file a declaration that the job to be produced will be an additional job. Such a statement is signed by the employer. I am not going to contest the integrity of several thousand small businessmen across the country who apply under this project.

We did check in the particular instance the hon. member gave. He implied that one of our officials suggested to employers in his area that they simply use the tax credit as a way of providing a replacement for an ordinary employment vacancy. We were told that this was not the case; it was a misinterpretation.

I take the hon. member's comments with a great deal of seriousness because they do raise an important issue. But at this point the fail-safe method we use is to ask the employer to tell us what his base line data is, and that is monitored. He must, then, produce additional employees. We simply do not absorb any part of their salaries unless they show they have additional workers. Second, they have to indicate that these are incremental workers, workers they would not hire under normal circumstances in their job programs. That is the extent to which we are able to apply checks and balances at the present moment.

If the hon. member has suggestions to make as to how we could introduce further checks without embroiling the employer in a great deal of red tape I should be pleased to hear them. When the program was first introduced it was not taken up with a great deal of frequency. One of the reasons for that, from the point of view of the employers, was that there were too many forms to fill in and too many restrictions. So we loosened the restrictions—and I have certainly had enough comments and representations from members of the Conservative party about trusting small businessmen, cutting through red tape and loosening restrictions. Well, we did that, and the program has taken off and is being used on a wide basis. Now the hon. member is suggesting that we reintroduce a whole variety of supervision measures and restrictions. We would want to see more evidence of abuses before being prepared to listen to his suggestions.

Mr. Shields: On the contrary, Mr. Chairman. I am not suggesting that the minister change the program. What I am attempting to do is draw attention to what I feel to be very serious drawbacks to the program. The minister mentioned that the scheme is being monitored, and I would like to know what tools he is using to monitor the program. I would suggest that a very simple method of monitoring a program of this nature would be to check previous company payrolls and make periodic inspections of the payroll. This would indicate whether new jobs had been created or whether jobs are just being refilled.

Mr. Axworthy: Mr. Chairman, that is what is being done. As I have said, a base line number of employees is provided. If the firm's employment does not exceed that number, the Department of National Revenue will carry out an audit and the firm will simply not get the tax credit.

Mr. Shields: I would also point out that the manpower offices in the various regions employ people to solicit businessmen and make them aware of the program. One might look at it in this light—that whoever is doing this job is really trying to make the employer aware of the program and, possibly through being over-zealous or possibly because clear direction from the top is lacking, he is put in the position of trying to "sell" this program. Are there, in fact, employees in each manpower office who are responsible for just the tax credit program?

Mr. Axworthy: Before we go much further, I would point out that the hon. member is making fairly serious charges about the administration of the program. We did check in the employment offices in his riding and there was a clear response that none of our employees had offered the kind of inducement the hon. member has suggested. So I would ask the hon. member to give specific instances in which what he suggests took place. If he does, I shall be able to investigate them. However, before he builds a general case I believe he should provide us with documented evidence upon which such a case could be built.

Mr. Shields: Mr. Chairman, when an employee of the department of manpower approaches a businessman, whether in my riding or his riding, or in the riding of South West Nova and suggests that this program can be used to an employer's advantage—because this is still a job which is being created although, since business is expanding, it is a job which would have been created anyway—it might be difficult to say no. A businessman signs an affidavit that he is creating a new job. It is a new job in the sense that the business is expanding, but it is not a new job created because of the tax incentive program. That is the point I am trying to get across.

Take an area like Fort McMurray, which is a high growth centre, an employer who may have had an employee base line of 25 employees in the food industry, the hotel industry, or whatever, puts in an application to Manpower saying he wishes to engage new employees. But this is a high-growth area, remember, and the business would be expanding anyway. This is what I see as causing the problem. It applies to Edmonton, to Calgary, to the whole of Alberta, and particularly to Fort McMurray in my riding.

Mr. Axworthy: We come back, then, to a fundamental dilemma. We do rely on the co-operation of the private sector to make this program work. I have often heard members on the other side extol the virtues of the private sector. It is the businessmen, they say, who should be the engineers of the job-creation program. If this is to be accepted as a premise we are bound to rely upon their integrity because there is no foolproof way for any government to say to an employer "We don't think the job you have added under our program is one you might not have added anyway." There is no way of measuring this without peering into the mind and guessing the intention of the businessman. It is simply not possible to do this unless we have been able to devise a way of placing a spectroscope against their heads and deciding whether that is really what they have in mind.

● (2200)

We have suggested that even in high-growth areas like Fort McMurray there is still a large number of people who are unemployed. As the hon. member well knows, there are all kinds of people moving into high-growth areas like Alberta with the expectation that they are going to be on the great streets of golden dreams. They get there and find they do not have the skills required for the jobs available. There is unemployment in those areas, and often people go into the service industry.

I think perhaps one indicator we have—and I am the first to concede that we will want to evaluate the program as it continues to determine whether in fact it is the ultimate proof—is that about 50 per cent of the employees hired under the employment tax credit continue in the work force or in their jobs afterwards. It shows that there is a certain sticking effect. We might interpret that and say that perhaps it shows that these people were going to be hired in any event, but the fact is that we do know we are creating 100 per cent additional jobs. What percentage of those are actually new jobs is hard to

say, but we have estimated 60 per cent according to our best estimates. However, give us a chance to continue the program a little longer. We may have better defined answers.

Some hon. Members: Hear, hear!

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CULTURAL AFFAIRS—GOVERNMENT SUPPORT FOR VANCOUVER ART GALLERY

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I wonder if I could have the attention of all hon. members who are in the House on a matter of some concern to the city from which I come, the city of Vancouver in the province of British Columbia. I address my remarks especially to government members because in the city of Vancouver we desperately need—I was going to say we need a new art gallery, but really we need an art gallery which would do credit not just to the city of Vancouver and the surrounding neighbourhood but to the whole of the province of British Columbia.

The reason I would like to take hon. members into my confidence is that, unlike any other city, at least as far back as I can remember—and I have looked into it—the people within the province of British Columbia went out and raised over $4½ million from 15,000 subscribers to help build a new art gallery. In fact it was to help move the art gallery from the old, inadequate premises into a courthouse which is going to be abandoned and which is an historic building.

This is a community which went out and raised the money first and then went to the province, to the city, and now to the federal government. While the party I represent was the Government of Canada, we agreed to match the $4½ million which was pledged by the 15,000 people who raised it, and that money—and I want all hon. members to pay very close attention to this—is conditional upon the federal government's coming through.

This is not the first time a city has received funding from the federal government. In a letter to the editor of the Vancouver *Sun* by Duncan Campbell, the president of the Vancouver art gallery, he pointed out that the Montreal Museum of Fine Arts received a $3.4 million grant and that the Art Gallery of Ontario received a $6 million grant. There have been other grants made. This is not something the city of Vancouver is asking for which has not been done in other places.

What we have had recently is a not very satisfactory but, in fact, a rather unseemly situation. The Secretary of State (Mr. Fox) says that, "If only you terrible Tories had not tinkered with Loto Canada, there would be lots of money for the art gallery." I have to say, with great respect, that whatever was done with Loto has nothing to do with the principle involved here.

The other day when I asked a question in this House, the Minister of the Environment (Mr. Roberts), formerly a secretary of state, indicated—and it is recorded in *Hansard*—how very much he wanted this to go ahead, but then he went on and said that somehow or other the former government, which was committed to get the money, had blown it by daring to alter the Loto arrangements. Look, it is just not fair and it is just not reasonable.

● (2205)

The art gallery in Vancouver will be the art gallery for British Columbia against a backdrop, by the way, of a situation where we cannot even exhibit all of the works of Emily Carr because there is just not a place for them. The time has come for this, and I must appeal to members on the government side to give us a break and speak directly to the Secretary of State on this matter. It is just not good enough to go out there and say that because of changes in Loto there will be no money for art galleries in western Canada. That is just not good enough.

I underline the fact that we are not asking for something we have not gone out and made a real effort to match in terms of funds. If any of the members opposite come from cities or communities which would go out and raise over $4 million from 15,000 people, I would be very surprised.

Because this must be concluded by the end of this month, we have already received a very ominous letter dated May 9 from Mr. McGann, the Executive Director of the Vancouver Foundation, saying that the $250,000 pledged by the Vancouver Foundation—if the government cannot make up its mind soon—will have to be withdrawan. It will happen with other donations. I ask members on the government side to listen to my plea. Surely to goodness a community which has the gumption, determination and interest to put that amount of money up from the private sector should be given a break. We are not asking for something that has not been done in other places, but we are asking for something on one condition—we went out and raised the money first. That has been done in other places.

In other places the federal government has been asked for up front money. In this case the local community has put the money up front. I know there are many issues which cross partisan lines, but I am glad to see that there are a number of members on the government side tonight and I ask them to take this matter up immediately in caucus. Caucus will be on Wednesday morning. I ask hon. members to give use a break on this matter and raise the matter there. It is something that is needed in British Columbia, it is something that is appropriate, and it is something on which our own people have already made very significant pledges.

I hope there will be no more talk about the fact that unless the new government can work out a whole new deal on Loto, there will be no money for an art gallery in Vancouver for the province of British Columbia. I am sure hon. members, knowing the situation, would not want that response. I ask the indulgence of hon. members to plead my case when the appropriate time comes on Wednesday morning.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the hon. member for Vancouver South (Mr. Fraser) had all my sympathy until he implied that only western Canada or British Columbia were being victimized by this program. I want to tell him right now very, very strongly—as strongly as I can—that such is not the case. Indeed the hon. member, and any one of his ilk, will do no justice to the people of Canada by attempting to put one province of Canada against the rest of Canada.

In his remarks on Friday the hon. member for Vancouver South seemed to suggest that only he and members of his party are interested in this problem. Nothing could be further from the truth. Indeed, if the former Conservative government had been more concerned with this matter, this debate would not even have been necessary. In fact it was for just such worthy projects as the Vancouver art gallery—and I admit that it is a very worthy project—that the federal government intended to use Loto Canada revenues. Of course, that was before the former Conservative government made its unfortunate decision to throw away Loto Canada, thus depriving both the sports and cultural community of a considerably large amount of available funds.

● (2210)

Had the previous Conservative government not made its sweetheart deal with the provinces—

Mr. Fraser: That is a ridiculous, cheap answer.

Mrs. Appolloni: If the hon. member wants to listen he has to do me the courtesy of keeping quiet.

Mr. Fraser: I have listened to all I want to hear.

Mrs. Appolloni: It is estimated that 30 per cent of the total net revenues from Loto Canada would have been allocated to arts and culture on an annual basis. At that time Loto Canada estimated this amount at $30 million. Even if we take a more conservative, perish the word, figure, forecasting increased competition in the lottery field, the yield to arts and culture would still be estimated at being no less than $19.5 million per year.

Under the agreement negotiated by the previous Conservative government only $12 million would have been allocated to arts and culture; that is much less money to undertake the projects which both the arts community and the federal government want to see undertaken.

On Friday the hon. member for Vancouver South raised the spectre of blackmail. This is most emphatically not the case.

Mr. Fraser: It's what they are saying back home, lady.

Mrs. Appolloni: If the hon. member cannot control himself I do not think he wants information, he just wants to make some more brownie points. It is emphatically not a question of blackmail, but of a government attempting to do whatever can be done to overcome the difficulties inherited from its immediate predecessor.

We are approaching the issue of arts and culture funding, including the Vancouver art gallery project, with the highest sense of concern and, indeed, urgency. I must emphasize that there are many projects from all across the entire country well worthy of government support. The government must do its best to fund these worth-while projects within the very limited amounts of money available for this purpose. Due largely to the previous Conservative government, there is unfortunately very much less money available for this purpose than we would have wished.

INDUSTRY—PROPOSAL FOR INSTALLATION OF SYNCROLIFT IN ST. JOHN'S DOCKYARD

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I rise in connection with a question I asked the Minister of Industry, Trade and Commerce (Mr. Gray) last Thursday about the proposal for the installation of a syncrolift at St. John's dockyard in St. John's. I never expected I would have to mention this project again in this House, but it has to be mentioned because it appears that someone on the other side wants to sabotage this economic development project that is scheduled to go ahead in my district of St. John's West, or was scheduled to go ahead until this government returned to power last February 18.

Put very shortly, there was a dockyard built in St. John's, Newfoundland, back in the 1920s by the government of Newfoundland, which had very little money and very little prospect, as an act of faith in the marine industry in Newfoundland. That dockyard is still basically the dockyard that is there today in Newfoundland. It was taken over by the Government of Canada in 1949. The Government of Canada gave it to CN to operate and it has been operating the dockyard ever since.

It has one graving dock. That graving dock can take three or four ships, but once those ships are on the dock it can take no more until they are repaired and discharged. That is the nature of a graving dock. The yard in the last couple of years has had the opportunity of greatly increasing its business from foreign fishing fleets, particularly the fishing fleet of the U.S.S.R. To do that business it needs a syncrolift. A syncrolift is simply a mechanical device to lift ships out of the water and put them down in a berth on dry land. This would be a three-berth syncrolift so they could do three vessels of up to 3,600 tons in each one of those berths using the syncrolift, while other vessels were being done in the drydock.

The dockyard was losing money until several years ago. It is now making money, and with the traffic that is offering now, with the syncrolift it could be a real winner. It would increase employment from 330 men and women, now employed, by

150. It would employ some 50 people during the construction period.

When I was first elected in October, 1976, I brought this to the attention of the government and I worked with the dockyard to make its case with the Department of Industry, Trade and Commerce. On December 29, 1978, it was announced by Mr. Jack Horner, the then minister, and by Don Jamieson, the then Newfoundland minister, that the government was going to go ahead and provide the funds for this syncrolift, which was estimated then to cost $15 million.

● (2215)

The syncrolift was to be operated by CN which would enter into a lease and repay 65 per cent of the funds over a period of 15 years, 20 years or 25 years, whatever the period was. CN would guarantee that it would pay 65 per cent of the cost, and the remainder of the cost would be in the form of a grant from the Government of Canada. That is very slim assistance compared to other dockyards in Canada.

The shipyard in Halifax is getting an 80 per cent grant from the Government of Canada, and a 20 per cent from its provincial government, which amounts to a 100 per cent grant. Halifax has to pay nothing back on a $43 million expansion. I could go on and mention shipyards and dockyards in Quebec and British Columbia which are getting much more generous treatment. Nevertheless, that is fine, and there is no reason why this should not go ahead.

When my party took office we went ahead and appointed consulting engineers. They began work on the plans and specifications. The project was approved by Treasury Board and all the necessary steps were taken. About two months ago the consulting engineers reported that the site is feasible and the project is feasible. Since that time we have had the tremendous prospect of the Hibernia oil fields and the gas prospects off Newfoundland.

This dockyard is within 175 miles of this great potential, the Hibernia oil fields. It will be a real money maker as years go on. But the consulting engineers recorded that the costs had now gone to $23.4 million. CN has shaved off $2.4 million in costs and brought it down to, I believe, $20.7 million. In 1980 dollars, the $15 million estimated cost of 1978 is $18.5 million. This in effect would be several million dollars more than the original estimate.

It is not the fault of the dockyard that we have had inflation over the last two years. We know whose fault that is. Now the word is that the government does not know whether it will go ahead with this project. It does not know whether the project should go ahead because of this $2 million cost overrun. The minister who represents Newfoundland, the Minister of National Revenue (Mr. Rompkey), should be fighting for this project. It is an economic development project for his own province. Instead of doing that, he goes to Newfoundland and says that he does not know whether this project is going to go ahead or not this year. The *Telegram* of May 29 quotes the Minister of National Revenue as saying:

> Right now government is in the process of redoing the list of projects that need to be done. The syncrolift is just one of a number of projects around the province—

The minister said that construction at Wabush airport in his district had been held up while the Conservatives were in power in Ottawa. What does the construction of an airport facility in Labrador have to do with economic development funds to be spent in St. John's, Newfoundland? At least the minister's predecessor from Newfoundland, Don Jamieson, fought for the whole province. He did not go to cabinet meetings to fight only for his own district. He did not screw projects that were not in his district. He did not put the blocks to projects which were in districts of members from other parties. I hope that the Minister of National Revenue will not do what he appears to want to do, squash this project in some little manoeuvre so that he can get some extra money from Treasury Board for Wabush airport in Newfoundland, which is not even an economic development project.

When I asked the Minister of Industry, Trade and Commerce about this, he confirmed that the government is committed to the balanced development of every part of Canada, including the province of Newfoundland. If this government opposite is dedicated to the balanced development of every part of Canada, it will see that this project in the St. John's dockyard will go ahead. It is one of the few feasible or viable economic development projects in Newfoundland that has come up in the last five years.

If the project does not go ahead, there is only one reason, and it is political; the Liberal minister from this province is trying to put the knife in a project in a district which is held by a Conservative. That is the only possible reason, unless CN, for some reason, goes back on its bargain. If CN does go back on its bargain, then I say, "Call in private enterprise and let's turn the dockyard over to private enterprise". It is a money maker, and it will make a fortune for whoever owns and operates this facility in the future.

The project might not cost the Government of Canada a cent because there is also a provision in the agreement that it will share the profits of the dockyard if they exceed $300,000 a year during the term of the agreement. They might well get the whole 100 per cent of their investment back. I am calling on the Minister of Industry, Trade and Commerce to prove to the people of St. John's West and St. John's East, the people who work in that dockyard, the unions, the government of Newfoundland, the port associations and all the other associations, that there is not a body in Newfoundland opposing this project, although the shipyard in Marystown has sometimes expressed dismay, but the project has no connection with that town. That is every association in St. John's.

● (2220)

I want the minister to assure them that this kind of gross politics is not going to interfere with the economic development program of his department. This was part of the federal economic stimulation program to aid the Canadian shipbuilding and repair industry. It is a good project. The civil servants

in the Department of Public Works, and the Department of Industry, Trade and Commerce are all supportive of it. Every civil servant I have spoken to supports it. If it does not go ahead it will only be because of political interference of the most demeaning type.

If I am ever in a position again to represent my province in the Government of Canada, I hope that I will never stoop so low as to try to stop a project in another member's district that is so deserving—or even undeserving—after it has been started and is on its way. I would ask the minister to make a quick decision so that this project can get under way this year.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to have this opportunity to try to enlighten the hon. member for St. John's West (Mr. Crosbie) and bring him up to date on this project. The St. John's dockyard, as he knows, is a federal government dockyard operated by Canadian National. It came under federal ownership at the time of the union of Newfoundland with Canada. I know I do not have to tell the hon. member these things. As he knows, in response to CN's representations that the facility could not be operated effectively in its present state, a federal interdepartmental examination of the matter concluded that there is a need for a more effective drydocking system and also identified newly emerging market opportunities to which the hon. member referred, that could enhance operations if exploited properly.

From this emerged a plan for a marine elevator type of drydocking facility that could lift vessels weighing up to approximately 4,000 tonnes out of the water and transfer them to one of three working areas onshore. The number of working areas planned for St. John's was limited, by design, to three, so that no excess capacity would exist that might cause a shift of business from Marystown shipyard, which is owned by the province.

As the hon. member knows, both the Liberal and Conservative governments approved the plan whereby the Department of Public Works would construct the facility at a cost not to exceed $15 million in terms of 1978 dollars, and lease it to CN for a 25-year term at a rate that would reflect recovery of 65 per cent of the capital plus interest at the Crown corporation borrowing rate. CN accepted the proposal and Treasury Board authorized the Department of Public Works to fund and proceed with the initial engineering work.

The initial engineering work is now complete but reflects a situation where the estimated cost, at $23.4 million in terms of 1980 dollars, is much more than the $2 million difference to which the hon. member referred. Of course, in terms of 1980 dollars it exceeds the limit previously agreed by CN and by the government. Consequently the project is now under review by both parties, and alternative ways to bring costs within agreed limits are under examination.

The hon. member speaks of sabotage and political interference. To my mind this is just a responsible way for a government to look at a problem and try and make a decision. I am sure, from the remarks of the minister in reply to the hon. member's questions in the House and from the notes and the information that I have gathered, that this question is being considered very seriously by this responsible government.

The Acting Speaker (Mr. Blaker): Order, please. I want to recognize the hon. member for Comox-Powell River (Mr. Skelly) next. First, however, I would extend the apologies of the Chair because I permitted hon. members a bit of leeway. Perhaps the hon. member will recognize that between himself and the parliamentary secretary who will reply there are now only five minutes remaining before the adjournment.

SEARCH AND RESCUE—INQUIRY WHY CAPABILITY ON WEST COAST NOT UPGRADED

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, on May 5 I put a question to the Minister of National Defence (Mr. Lamontagne) to find out why, in light of the tragic sinking of a vessel off the west coast of British Columbia with the loss of 30 lives, his department refused to upgrade search and rescue capabilities on the west coast, and why there was a cutback on programs that had been promised. I also asked the minister if he could explain why he was not prepared to submit to the House two reports which he held from the Department of National Defence and the Ministry of Transport that analysed and made recommendations concerning this accident. His answer was basically that improvements had been made. Although they were not to my liking, undoubtedly they were unfolding as they should.

● (2225)

I would now challenge that minister to show that improvements have occurred over the last few years and that his department can deliver a rescue platform to the site of an emergency any sooner than they were able to do ten years ago. In fact, on the central coast of B.C. it still takes from three and a half to five and a half hours to place a rescue helicopter in that area, no matter whether it comes from Comox in Canada or Sitka in the United States. Nine out of ten times the rescue helicopters tend to come from Sitka.

I would also challenge the minister to show that he has not in fact cut back on improvements promised. First, five helicopters, CH113s and CH113As, were committed to go to CFB Comox. Would he confirm that these helicopters were assigned to this facility?

Next is the SARCUP program which is the helicopter upgrading program. Fourteen helicopters, CH113s and CH113As, were to be upgraded. Could the minister confirm that he has not cut back on that program and that he now intends only to upgrade 11 of those 14 helicopters?

Could the minister further assure us that the original automatic hover equipment that was to be used to provide automatic hovering references to stabilize the aircraft when hovering over heavy seas to pick something or somebody out the water, that he has not now substituted a less sophisticated, less expensive and less effective system?

Could the minister state yes or no whether he intends to release to the public or to this House the MOT and the DND reports which refer to the *Lee Wang Zin*? If the answer is no, could the minister explain why the public should not be entitled to the information contained in those reports?

Finally, I understand the minister will be submitting for approval to the cabinet the national SAR plan, if it is essentially updated from 1979-80, which never did reach the cabinet. It would extend, presumably, to the year 1985. When we examine that data, the data sheets in this report for Campbell River, Johnstone Straits, Queen Charlotte Sound, Hecate Strait, Queen Charlotte Islands, Vancouver Island West and the North Pacific, we find that there is only one piece of primary search and rescue equipment in that entire area. It is a 44-foot self-righting lifeboat that goes 12 miles an hour which covers 350 miles of the west coast and presumably 200 miles out to sea. This is clearly inadequate. In spite of that report, in spite of dramatic increases in population, it underestimates private and commercial activity. It does not give any mention of aircraft flights and increased traffic volumes and the government still cannot, with any degree of reliability, provide a rescue vessel in that area. This situation has not been changed for years.

I would ask the minister to release those reports. I would urge him to commit the necessary resources to distribute the helicopters at Comox along the coast of B.C. so they can be effectively deployed. I would urge him to upgrade the national SAR plan to provide immediate resources to the central and northern coasts of B.C. and, at the same time, to approve expenditure of funds for immediate use to prevent the crippling and time consuming process of bouncing important programs back and forth between cabinet, Treasury Board, and the departments over and over again.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, in his reply on May 5, 1980, the minister stated that our search and rescue program has been improved in recent years, and we are continuing to improve it.

Under the search and rescue capability update program, 11 Canadian forces helicopters will undergo modifications to upgrade their capability for search and rescue operations. The modifications to the helicopters, six Labradors and five Voyageurs, include the installation of external long-range fuel tanks, rescue hoists, new radar and improved communications equipment. These improvements will extend the range of the aircraft and will enable them to fly search and rescue missions in adverse weather, day or night, throughout the 200-mile offshore limit.

The improvement program, to be completed by June, 1984, is part of a two-phase program. The first phase which began in 1978 consisted of improvements in the navigation avionics, communications and the installation of high-powered search lights.

A significant improvement in Canada's search and rescue capabilities is its participation with the United States and France in an international search and rescue satellite program called SARSAT. The first launch is scheduled for mid-1982.

• (2230)

Also, an interdepartmental working group has been formed under the auspices of the Interdepartmental Committee on Search and Rescue to ensure availability of reliable emergency locator transmitters, ELTs, by recommending methods for accelerating the reintroduction of existing ELTs into the general aviation category and to identify plans for the technological improvement of locater transmitters including their wider use and compatibility with SARSAT.

On this subject, I would refer the hon. member to the appendix of the Standing Committee on External Affairs and National Defence of December 4, 1979.

As regards reports on the sinking of the *Lee Wang Zin*, I can assure the hon. member that the recommendations in those reports which we are able to act upon will be implemented. Also, the minister explained in his letter of May 27, 1980, to the hon. member the nature of such investigations and why they are normally not made public. The minister also expressed his willingness to discuss the matter further with the hon. member.

As far as National Defence is concerned, everything is being done to improve the search and rescue capability of the rescue co-ordination centres, including the one on the west coast. I regret I do not have time to read the very long list of success stories carried out under the search and rescue program.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Tuesday, June 10, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AFFAIRS

INVESTIGATION INTO SAFETY OF DISPOSABLE BUTANE LIGHTERS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, pursuant to the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. I sincerely hope that all members will agree with my non-partisan motion as it affects the safety of millions of consumers.

In view of the fact that a number of people in North America have already lost their lives as a result of explosions of disposable butane cigarette lighters, which are said to have the same amount of force as approximately three sticks of dynamite, and because as recently as last night another similar accident critically injured comedian Richard Pryor who as of this moment is fighting for his life, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House instruct the Minister of Consumer and Corporate Affairs to launch an immediate investigation into the safety of all disposable butane cigarette lighters in order to determine which brands should be removed from the marketplace and what appropriate safety warnings must be established.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA BUSINESS CORPORATIONS ACT

REQUEST FOR STATEMENT ON DIRECTORSHIPS AND RESIDENCY LAW—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the sweeping changes when the Canada Business Corporations Act succeeded the Canada Business Act, which affected some 21,000 small companies in Canada, and the severe consequences of expropriation of their assets by the government if continuance is not filed, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the Minister of Consumer and Corporate Affairs make a statement on motions to this House as to his intentions and interpretation regarding this Draconian procedure and the apparent use by some companies to transfer to provincial jurisdictions where directorships are not covered by Canadian residency law.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

DECISION TO CLOSE AUTO PARTS FACTORY IN OSHAWA—STEPS TO PRESERVE JOBS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, considering that Houdaille Industries Limited, of the United States, yesterday announced its decision to shut down its auto parts factory in Oshawa in October, in spite of having a less modern facility in the United States, and considering that Canada runs an annual deficit in auto parts trade with the United States of almost $4 billion, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House instruct the Minister of Industry, Trade and Commerce:

(1) to take immediate steps to try to preserve the jobs in the Houdaille plant in Oshawa, and

(2) to make clear to the United States government that the massive imbalance in automotive parts trade cannot persist.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

RETENTION OF INDEXING OF PERSONAL INCOME TAXES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

The indexing of personal income tax to some extent prevents the tax man from profiting by inflation. This principle was first enunciated by the Hon. Robert Stanfield and adopted by the Hon. John Turner in his budget of 1974 as being an

element of fairness in the tax system. I, therefore, move, seconded by the hon. member for Crowfoot (Mr. Malone):

● (1410)

That this House direct the government that it should not in any way interfere with the indexing of personal income taxes, and if it needs measures to reduce its unmanageable debt it should introduce appropriate, honest fiscal measures and desist from its apparent intention to remove from the tax system the index for inflation.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

MOSCOW OLYMPIC GAMES—PROTEST AGAINST ISSUANCE OF COMMEMORATIVE STAMP—MOTION UNDER S.O. 43

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, on a motion which I hope will gain the unanimous consent of the House.

Whereas the Postmaster General (Mr. Ouellet) has confirmed that the previous Conservative government had approved plans to introduce a 35-cent stamp to commemorate the Moscow games this year, and whereas this government and many others have combined to boycott the Moscow games as a result of the U.S.S.R.'s invasion of Afghanistan, and whereas any action or gesture that might detract from the boycott's objective should not be pursued, I therefore move, seconded by the hon. member for Sudbury (Mr. Frith):

That this House recommend to the Postmaster General that all and any plans to issue a stamp to commemorate the Moscow games be immediately terminated.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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WEIGHTS AND MEASURES

INVESTIGATION INTO COSTS OF METRIC CONVERSION—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise on a matter of urgent and pressing national necessity regarding false and misleading practices of the Metric Commission in implementing conversion to the metric standard of weights and measures.

The Canadian Metric Commission has advised municipal fire departments that conversion to metric can be accomplished at a cost of $5 per pumper—the cost of applying decals to the vehicle. In fact, according to fire officials the cost can run to as much as $13,000 per pumper, including hoses and connections but not taking into account the cost of changing fire hydrants.

In view of information provided by the Metric Commission being inaccurate and grossly misleading, and the actual costs to municipal fire departments being prohibitive in many cases, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That a moratorium on the implementation of the metric conversion program be declared until the true costs are established and answers given as to whether metric conversion will result in better fire and rescue service, and will save more lives and more property, and whether or not litres of water will flow faster through metric hose.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CHARITABLE FOUNDATIONS

STATUS OF MANITOBA FOUNDATION FOR CANADIAN STUDIES—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that Revenue Canada has revoked the status of the Manitoba Foundation for Canadian Studies, publishers of "Canadian Dimension", as a charitable foundation, and in view of the fact that this unprecedented action constitutes a very serious threat to freedom of speech in Canada in attempting to make an unworkable distinction between education and promotion of a particular ideology, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House call upon the Minister of National Revenue to reverse this ill-advised decision and forthwith restore to the publishers of "Canadian Dimension", the Manitoba Foundation for Canadian Studies, its status as a charitable foundation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN BROADCASTING CORPORATION

COVERAGE OF FIRST MINISTERS' MEETING—COST THEREOF—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise under the provisions of Standing Order 43. Since the constitutional package for the public was opened behind the closed doors of 24 Sussex Drive, and since restraint in all matters was apparently practised inside, but the CBC did otherwise outside, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the House direct the Minister of Communications to find out if the mobile satellite dish at the on-spot location for the CBC across the street from the Prime Minister's residence was, indeed, that of the CBC or some other provincial jurisdiction and if it had, in fact, permission to operate, and what the total extra cost was of this on-location CBC coverage.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

FEDERAL-PROVINCIAL PROGRAM TO ERADICATE AQUATIC WEED—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity concerning the aquatic weed known as Eurasian milfoil.

Recognizing that the weed Eurasian milfoil shows no political boundaries as it chokes out the recreational waterways of Canada—in particular, this weed is presently infesting over 100,000 acres in the Kawartha Lakes' chain, adversely affecting a $100 million tourist business—I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That this government request the Minister of the Environment to meet with his provincial counterpart in Ontario in an effort to enter into a joint program of federal and provincial funding in order to eradicate this fast-spreading weed.

Madam Speaker: Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LIEUTENANT-GOVERNOR OF ONTARIO

APPOINTMENT OF SENATOR JOHN BLACK AIRD—MOTION UNDER S.O. 43

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity with which I am sure all members of the House will agree.

Senator John Black Aird has been appointed Ontario's twenty-third Lieutenant-Governor. Mr. Aird's appointment will take effect on the current Lieutenant-Governor's retirement on September 10, 1980. In this respect, I move, seconded by the hon. member for Egmont (Mr. Henderson):

● (1415)

That this House congratulates and gives unanimous support to our new Lieutenant-Governor, wishing him a successful career in serving our country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN UNEMPLOYMENT—MEASURES TO DEAL WITH ECONOMIC PROBLEMS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Minister of Finance. As we have seen today, the unemployment figures are again discouraging: there has been an increase to 7.8 per cent in the seasonally adjusted figure, which is worse than a year ago and worse than a month ago.

The minister, on April 21, predicted an average unemployment rate of 8 per cent this year. Back in December, the Department of Finance predicted a rate of 8.3 per cent. Since then, on May 27 the deputy minister of finance, in his evidence before a senate committee, predicted "a higher and more sustained increase in the unemployment rate than was projected last fall" and also, he went on to say, "the prolongation of rather severe unemployment rates."

Can the minister tell the House what average unemployment rate he predicts during this year and next year, and would he indicate, whether by a budget or in other ways, how he intends to deal with the increasing and serious economic problems in this country? If not by a budget, how does he intend to indicate his way of dealing with these problems?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member for St. John's West has pointed out, the projection for unemployment that I presented on April 21 was about 8 per cent, a somewhat different figure than had been presented by himself in the preceding December.

I have had no reason to change that projection for 1980. Perhaps it ought to be changed and will have to be changed

with ongoing developments. I believe that the projections made by my hon. friend in December had to be changed as a result of new developments, and that may occur in this case; but at the present time I am not projecting an additional increase.

Mr. Crosbie: Madam Speaker, on April 24 the Prime Minister said, "Our main preoccupation is to ensure economic growth and jobs for Canadians and the deficit is a long-term objective." The firm of Wood Gundy has predicted, for the first time since 1954, that we are going to have a real decline in output in the Canadian economy—a decline of 0.5 per cent—which does not say much for economic growth. We know from the figures that jobs for Canadians are seriously in danger.

Could the minister tell the House how he plans to ensure economic growth and jobs for Canadians, especially in view of the present record high deficit that he is prophesying for this year in his budget and the high deficit in the balance of international payments? How is the minister going to carry out the Prime Minister's objective in the light of this situation?

Mr. MacEachen: I should add, Madam Speaker, that the projection made by Wood Gundy is more pessimistic for growth in 1980 than the projection which I gave on April 21, which was real growth of one-half of 1 per cent. I notice that the president of the Royal Bank today gave a similar forecast. There is no doubt that as a result of declines in the United States and the absorption of very large oil price increases in the world economy, we are in a period of slow growth in Canada.

The hon. member has asked what my plans are with respect to dealing with that situation. I have said to my hon. friend that it is certainly not my intention at the moment to attempt to deal with that situation by recommending further increases in the very large fiscal deficit. I do not believe my hon. friend would recommend that course, either. There is a good deal of stimulus being provided by the very large deficit that is in existence at the present time. In the absence of that deficit, probably the unemployment rate—no question of probability, there is no doubt that the unemployment rate would be higher than it is at the present time.

● (1420)

Mr. Crosbie: Madam Speaker, there is no question about it; the minister in office is a changed man from the minister out of office, and he had better get his act together.

Some hon. Members: Hear, hear!

Mr. Crosbie: Those on our left are only happy when there is trouble in the country.

Some hon. Members: Oh, oh!

Mr. Crosbie: My final supplementary to the Minister of Finance is this. In the minister's speech in Paris recently, June 4, to the Organization for Economic Co-operation and Development, he said:

> To the extent that these changes include further reductions in the demand for oil—

Sorry, the minister said this:

> But the experience of the 1970s has brought home the point that we are unlikely to achieve a sustained improvement in employment unless we get inflation under better control.

Does this indicate it will be the minister's policy direction and chief priority to introduce policies to get inflation under better control? Not policies directed at increasing employment but, rather, that the emphasis is going to be in getting inflation under better control? In other words, does he mean what he says, or does he not mean what he says, or does what he says mean anything?

Mr. MacEachen: Madam Speaker, that convoluted series of questions would require an answer that only the hon. member would be capable of giving.

Some hon. Members: Hear, hear!

Mr. MacEachen: As the hon. member knows, there is always the dilemma of trying to deal with rising unemployment and the threat of inflation. The consensus of opinion at the OECD meeting of ministers of finance from the western industrialized countries was that at the present time it would be desirable to maintain the battle against inflation—not to attempt to reflate at the present time against the danger of renewed inflationary expectations.

Mr. Crosbie: Did you agree?

Mr. MacEachen: Yes, Madam Speaker, I agreed with that approach. This is a situation that will have to be assessed as time goes on, particularly in view of what happens in other countries. But it would seem to be unwise today to begin to launch an abrupt change in policy and to assume that the threat to the economies of not only Canada but other countries from inflation is over. That would not be very wise.

* * *

EMPLOYMENT

EXPENDITURES FOR JOB-CREATION PROGRAMS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. On April 21, the finance minister increased federal expenditures by $2 billion. In view of the rapidly increasing unemployment situation, can the minister tell the House how much of that $2 billion increase has been allocated for employment-creation projects?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member well knows—because he has been in the House and participated in debates—we have announced two job-creation programs, one a summer job-creation program which was in the neighbourhood of $100 million, and the program announced last Monday of $137 million. Those are direct job-creation programs.

I would also remind the hon. member that in the last three months this government has brought forward a number of decisions that will stimulate the economy—the fighter aircraft decision, major investments in DREE programs, major investments to support Chrysler—all of which are deisgned to provide a stimulus for jobs across Canada in terms of long-term economic development. If you add all those up, we are probably investing in this country to the extent that our fiscal limits will allow.

● (1425)

Mr. Hawkes: There appears to be a contradiction between that statement and the statement of the Minister of Finance. If the Minister of Employment and Immigration is suggesting that $237 million out of the $2 billion is allocated toward job creation, I do not think we shall find it in the figures which were presented to us.

The labour force data released today suggests that in the past month this country has lost 68,000 jobs, on a seasonally adjusted basis; that is, 3,400 jobs lost each working day. Can the minister tell us whether, in his view, that loss is temporary or long-term and likely to accelerate?

Mr. Axworthy: Madam Speaker, I can tell the hon. member that the contradiction is surely in the eyes of the beholder. In this case there is no difference whatsoever between myself and the Minister of Finance. What the Minister of Finance has just said is that we, like most economies, are influenced by a number of factors.

Certainly, there is the international factor—the softening in the U.S. market and the severe recession which the U.S. economy is now experiencing. So in terms of giving an answer, it depends partly on decisions made elsewhere, outside the borders of this country. But I can assure the hon. member that we will do everything we can to soften the impact and respond with a great deal of care and concern.

* * *

THE CANADIAN ECONOMY

HIGH UNEMPLOYMENT—PROGRAMS TO ALLEVIATE

Mr. David Orlikow (Winnipeg North): I have a question for the Minister of Finance. The unemployment figures released today show that over 900,000 people are unemployed. The seasonally adjusted rate of unemployment is up in every region. Also, in the heartland of the Canadian manufacturing industry, Ontario, unemployment is up sharply, to a large extent because 30,000 auto workers and workers in related industries such as rubber, plastics and glass are unemployed and are not likely to resume employment, if ever, until 1981 or 1982.

Given these facts, can the minister tell us whether the government is considering new programs which will put a large proportion of our unacceptably high number of unemployed to work? Or are we to assume that the government has decided that these people will just have to live as best they can until the international economic situation improves?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I think that would be an unduly pessimistic attitude to take. The hon. member referred to the particular position of the auto industry. It seems to me that general demand policies would not have very much of an effect on improving the sales of automobile manufacturers. It is the kind of program announced by the Minister of Industry, Trade and Commerce, namely, to permit companies like Chrysler to adjust to market conditions, which has the best chance of providing employment opportunities. That is the type of program we ought to be seeking in the present situation.

Mr. Orlikow: It seems to me highly unlikely that 900,000 unemployed are going to be in the market for cars, refrigerators, houses or anything else. Despite all the speeches about helping women to get jobs, or better jobs, figures today indicate that 400,000 women are looking for work. That is virtually 40 per cent of the work force. Does the government have any plans to ensure that more women will be able to find jobs in the coming year?

Mr. MacEachen: I think I should clarify my earlier answer to the hon. member so that he would realize that when I talked about the automobile industry, I had in mind those persons in that industry who are suffering from unemployment and whose only hope for future employment comes, not from general demand policies, but from structural readjustment within the industry itself so that the market opportunities for the product would be better.

As the hon. member knows, there are certain automobile manufacturers abroad who are competing very vigorously in the North American market because they have products which consumers want. That is the point I had in mind with respect to these unemployed.

● (1430)

Mr. Broadbent: What about the second part?

[*Editor's Note: At this point Mr. Trudeau entered the chamber.*]

Some hon. Members: Hear, hear!

Mr. Orlikow: Madam Speaker, to say the least, I am dismayed at what I consider to be a very cold and callous reply from the Minister of Finance, who himself comes from an area which has a large number of unemployed, to a very serious problem.

I would like to ask the minister a very specific question. Almost 50 per cent of the unemployed are young people under 24, and of those more than 400,000, 95,000 are students who are looking for work for the summer. They not only have difficulty finding jobs, but also in the calculations which the provinces make with respect to student aid it is assumed that 45 per cent of their needs will be met by income they earn

from working. Can the minister indicate what programs the government has to ensure that these people can find enough work so that they can go back to school this fall?

Mr. MacEachen: Madam Speaker, I would have thought the hon. member was aware that the Minister of Employment and Immigration has already announced a job-creation program, and that within his plans there is room for a very large number of employment opportunities for summer students.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF PRIMARY INDUSTRY OF AUSTRALIA

Madam Speaker: Order, please. I would like to draw the attention of hon. members to the presence in our gallery of the Hon. Peter Nixon, Minister of Primary Industry for Australia.

Some hon. Members: Hear, hear!

* * *

HOUSING

MEASURES TO INCREASE STARTS AND CREATE JOBS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of Public Works, who is responsible for housing. According to CMHC, housing starts are over 100,000 behind what CMHC says are required for Canadians in 1980. This translates into a loss of over 100,000 jobs both in the housing industry and in related industries. When is the government going to act on this crisis and start to provide incentives which would then produce jobs and homes for Canadians?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I indicated in answer to a similar question yesterday in the House, it is my belief, and the belief of the corporation officials, that those figures for the month of May reflected the high interest rates of earlier in the year. It is our anticipation that they will pick up, with interest rates having been adjusted.

I would say that the Minister of Finance should take full credit for not having overreacted to requests for the spending of billions and billions of dollars in response to that temporary adjustment. In addition, I indicated that before the end of the month the government will be responding modestly to improve some of the programs designed to bring relief to all classes of people in the industry.

Mr. Lewis: Madam Speaker, perhaps the minister is going to change the construction season in Canada, because by the time he gets it out, it will be half over.

Some hon. Members: Question.

Mr. Lewis: Does the government not sense the urgency in the fact that the season is half over before it has put out any program?

Mr. Cosgrove: Madam Speaker, the government indeed recognizes, for example, that there is a backlog in the demands for more starts and the number of programs which are already in place administratively by the government. We know there are people waiting and ready to take up starts which are released. I expect in the two programs which will be announced before the end of the month that there are clients and people ready and willing to start building almost immediately.

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AIR TRANSPORT

ENGINE FAILURES ON AIR CANADA AIRCRAFT—STUDY ON AIR SAFETY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Transport. It is with regard further to Air Canada's 747 problem with engine failure last Saturday.

In light of statements from Air Canada that there is a very serious idling problem with its 747s, and the statement from the Canadian Air Traffic Controllers' Association that the pilot involved in the 747 incident Saturday should not have taken out another flight the same night, will the minister expand the terms of reference of Justice Dubin to include these near-fatal accidents within the context of the study on air safety the justice is currently undertaking?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have an answer to the first part of the question at least. The event in London is not considered to be an accident. I am told that in cases like this, in which the aircraft is not involved in an accident as defined in the regulations, there is no requirement for the crew members not to conduct a further planned flight. So this was not an accident. This was considered to be a mishap of some kind, but the normal procedure is for the pilot to continue.

With respect to the relationship between that and the inquiry conducted by Judge Dubin, my information is that the judge is taking a very wide approach to security in the air and will want to make recommendations on a very wide plane.

Mr. McKenzie: Madam Speaker, if that fourth engine had failed, I point out to the minister that there would have been a fourth accident. They were very fortunate.

In view of the fact that Transport Canada inspectors have stated before Justice Dubin's inquiry that it is impossible for Transport Canada to determine whether Canadian aircraft are airworthy as, and I quote, "they are being muzzled by their supervisors", has the minister taken action to correct this situation and to ease the minds of members of the travelling public, or will we have to wait for Justice Dubin's report in

October before the minister takes corrective action on safety inspections?

Mr. Pepin: Madam Speaker, just on details again, it was not three engines which had trouble; it was only two. Just to rectify these things.

With respect to representations made before the judge, I would think it would be in the spirit of asking a commission to inquire to wait until the judge decides which of these representations he considers to be valid, makes up his mind and makes recommendations accordingly. It would be unwise, obviously, to act before the recommendations of the commission of inquiry are given to the government.

* * *

INDUSTRY

DECISION TO CLOSE AUTO PARTS FACTORY IN OSHAWA—STEPS TO PRESERVE JOBS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. The minister is no doubt now aware that Houdaille Industries in Oshawa has annouced its intention to close in October of this year, and that 150 more workers in Ontario are going to suffer as a result of the branch plant economy we now have. It appears that the industry is going to transfer its productive capacity to Huntington, in the United States.

Can the minister indicate, first, whether he or his ministry were informed of the intended closing? Was there any discussion, and has the minister made it known to the company that he would like it to come to Ottawa, to sit down and to discuss ways and means of keeping that plant in operation and those employees working?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, no information was brought to my attention directly. I have not had any such discussions. But it is always my interest in situations of this type to discuss the situation directly, not only with the company itself but also with the workers involved, and I will be happy to move to arrange such a meeting as soon as possible.

Mr. Deans: Madam Speaker, does the minister or the ministry have any procedure whereby in the case of the auto-related industries, given the problems which confront us in this country at the moment, the industries make known to the minister their intentions with regard to closings, lay-offs, transfers or any other changes in their productive capacity or production which will detrimentally affect the Canadian economy and Canadian workers?

Mr. Gray: Madam Speaker, while what the hon. member is referring to is a matter which comes primarily under provincial law, we have officials in the department whose job it is to maintain close contact with the industry so that we can be up to date on developments. The strengthening of this aspect of the department is something I am carrying out right now.

[*Translation*]

NATIONAL DEFENCE

NATO CONFERENCES—INQUIRY AS TO CANADA'S PARTICIPATION

Mr. Alain Tardif (Richmond): Madam Speaker, the Minister of National Defence recently attended the NATO conferences held in Bodoe in Norway, and in Brussels. Following his first participation and visits abroad as Minister of National Defence for Canada, could he indicate to the House what is the position of Canada in the collective agreements and what is the Canadian contribution to those agreements, more especially at the NATO level?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am quite pleased to see that the member for Richmond is interested in this very important matter, considering present world conditions. We should not be naive or take peace for granted as I believe that a conflict is always possible. The NATO meeting in Brussels had been convened to assess the credibility of the deterrent capability of the NATO members. We developed our strategies in the face of Soviet strategies. As for our Bodoe meeting, I think it was a very important one. The nuclear group was gathering to assess the terms under which they might use nuclear power in case of conflict. Madam Speaker, Canada—

Some hon. Members: Order!

Mr. Lamontagne: Are hon. members opposite not interested to learn what occurred at those very important meetings? Before concluding, Madam Speaker, I would like to specify that in spite of the meeting of the nuclear group in Bodoe, Canada is not a nuclear power and does not intend to become one, but will remain a very firm supporter of NATO.

* * *

• (1440)

[*English*]

AIR TRANSPORT

ENGINE FAILURES ON AIR CANADA AIRCRAFT—MONITORING OF FUEL QUALITY AT AIRPORTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is addressed to the Minister of Transport and it relates to the same serious matter raised a few moments ago by my colleague, the hon. member for Winnipeg-Assiniboine.

Will the minister tell the House whether the fuelling system at Vancouver international airport is being investigated in relation to the near-disaster involving the Air Canada 747 at Toronto last weekend? Is the minister convinced that fuel turbidity—that is, water and dirt in the fuel—was not a causative factor in the failure of the three engines, and is he

aware of the fact that fuel quality is not monitored continuously at Canadian airports?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, I am not aware of the specific case which my hon. friend brings to my attention. I will look into it and report to him.

Mr. Siddon: Madam Speaker, I would like the minister to confirm that an automatic device to continuously detect impurities in jet fuel was specified by his officials, according to accepted standards, and installed in the fuel-handling system at Vancouver when it was designed in 1968, but that this important safety device was disconnected several years ago because it kept shutting down the fueling system automatically? Is it the ministry's policy not to include on-line turbidity monitoring devices in fuel-handling systems at airports, and is this the true situation?

Mr. Pepin: Madam Speaker, the promise I made in reply to the first question applies to the second.

An hon. Member: A very turbid answer.

* * *

NATIONAL DEFENCE

REQUEST FOR STATEMENT BY MINISTER ON TRIP TO EUROPE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I should like to direct a supplementary question to the Minister of National Defence. Would he mind making a statement on motions, the logical place to tell us about his trip to Norway and Brussels?

Some hon. Members: Hear, hear!

Mr. McKinnon: Further, might he then take questions, as is the normal custom, which would be somewhat more pointed than the one he recently answered?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, in spite of the fact that no question has been put, I will point out to the hon. member opposite that we will be sitting in Committee of the Whole Thursday and Friday and hon. members will then have every opportunity to ask relevant questions.

* * *

[*English*]

EXTERNAL AFFAIRS

DESECRATION OF GRAVES OF CANADIAN WAR DEAD IN FRANCE—GOVERNMENT PROTEST

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my question is addressed to the Secretary of State for External Affairs. With regard to the desecration of the graves of Canadian war dead at Bretteville-sur-Laize, France, two months ago, has the minister sent a note of protest to the French government?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, this was indeed a most unfortunate happening, but a note of protest to the French government has not been necessary because the French authorities themselves are very embarrassed by it, as is the community in which it took place. The graves are being restored and everything possible is being done to restore the dignity in which our veterans rest.

OPERATION OF PATROL BOATS IN CARIBBEAN—CIDA INVOLVEMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is directed to the Secretary of State for External Affairs. In the light of press reports recently that CIDA is being pressured by his department to provide money for gunboats and various other types of security operations in several small east Caribbean islands, can the minister investigate these reports and assure the House that CIDA is not being forced to play policeman in the Caribbean under the cover of development assistance?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I understand that the boats in question are not gunboats but are patrol boats of various kinds.

Some hon. Members: Oh, oh!

Mr. MacGuigan: In other words, the premise of the hon. member's question is erroneous.

Mr. Ogle: My supplementary question to the minister is if he could inform the House whether it was the U.S. State Department which put pressure on the Canadian government, via the World Bank consultative group on Caribbean economic development, to help subsidize the security networks of several island governments supposedly under the bogey of communist subversion.

Mr. MacGuigan: Madam Speaker, I will have to take notice of that question. Perhaps in the meantime the hon. member could furnish me with some details as to which islands and to what problems he is referring.

DESECRATION OF GRAVES OF CANADIAN WAR DEAD IN FRANCE—REQUEST FOR PUBLIC STATEMENT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I should like to ask the Secretary of State for External Affairs whether, in view of his answer to me a moment ago, he could issue a public statement and make certain that it is sent to the London *Times* in England and to some of the papers in Paris, France, that the French government has apologized.

Furthermore, would he ask the Minister of Veterans Affairs to write to the families of the 3,000 Canadians who are buried there, expressing his regret at the desecration and telling them that an apology has been received from the French government?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I will certainly take that under advisement. I am not sure that we know all the families involved, but certainly some action of that kind might be called for and I will pass the suggestion along to my colleague. Perhaps the hon. member could furnish me with the information from those newspapers in which I gather there have been unfavourable comments.

* * *

ENERGY

PROVISION OF EMERGENCY RESERVES OF OIL

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. In view of the fact that in September of 1974, Canada, along with 11 other countries, agreed to a scheme for stockpiling oil to provide emergency reserves sufficient for 90 days—an action that has not been taken, unfortunately, by Canada—will the minister indicate why this emergency oil base has not been established? Also, since the Atlantic provinces, and Nova Scotia in particular, remain especially vulnerable to energy losses—we have no natural gas to offset the need for liquid petroleum distillates, and no immediate oil for pumping—will the minister consider establishing an emergency reserve oil base in Atlantic Canada covering our needs for at least 90 days?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first, I would like to stress to the hon. member again that in Canada we have one market and one price for oil, and that we will not allow a situation to develop where Atlantic Canada would be put at a disadvantage both in terms of price and in terms of supply. So far as the specific question raised by the hon. member is concerned, I will examine the situation and I shall be pleased to report to him later.

Mr. Crouse: I have one brief supplementary, Madam Speaker. Since Canada to date has taken no special steps to meet the requirements of the 1974 agreement—-I stress the date of the agreement which Canada signed in 1974—what steps is the minister taking to ensure that Atlantic Canada will have an adequate reserve supply of crude oil?

● (1450)

Since, admittedly, we have a shortfall of 50,000 barrels of oil in our agreement with Mexico, I would like to ask the minister with what countries he is now negotiating in order to offset that shortfall. While he is at it, will he tell us the price that he and his government agreed to pay Mexico for those 50,000 barrels of oil?

Mr. Lalonde: Madam Speaker, I would have to ask the hon. member whether he is stating that Canada does not have a 90-day supply at the present time. If he says that—he does not say that—then I would challenge him on it. I would argue with him that if he checks the past, he may find that indeed Canada just now may have a 90-day supply. It is important that the whole country should have adequate supplies to meet its needs. This situation is being monitored regularly by my department and is on the face of it the subject of constant monitoring.

As far as the agreement with Mexico is concerned, again I should like to stress that Canada increased its supply by 50,000 barrels per day, thanks to that agreement. The hon. member may regret that it has not gone to 100,000 barrels per day, but it would have been easier if his government had moved when this matter was available for negotiation at the time.

Some hon. Members: Oh, oh!

Mr. Lalonde: As far as the price of that oil is concerned, it is a matter that has to be negotiated in terms of the prices as the purchases are made on an ongoing basis. There is no specific price, like in agreements with other countries, between companies or even from state to state. These agreements are all subject to renegotiation in terms of prices.

* * *

HEALTH AND WELFARE

UNACCEPTABLE RISKS OF CERTAIN DRUGS—EXERCISING OF CANADIAN JUDGMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. In view of recent press reports concerning the use of the powerful hormonal drug, Depo-provera, for uses such as contraception in provincial institutions for the mentally retarded and other users, other than that which the Federal Bureau of Drugs allows the manufacturer of the drug to claim for it, can the minister tell the House whether she intends any strengthening of the ability of the federal department of health to achieve compliance with its own judgments about unacceptable risk when it comes to these particular kinds of drugs?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I regret to say that I am not aware of the case referred to by the hon. member. If he could give me more information after the question period, I will look into it and report as soon as possible.

Mr. Blaikie: Madam Speaker, my supplementary question is in a more general vein. In the absence of the minister being aware of this particular drug, could she tell us whether or not she intends any changes or any federal initiatives, either by her department or perhaps by the Minister of Justice and the Department of Justice, in the very important and long neglect-

ed area of patients' rights and the need for more informed consent in Canadian health care—a need which was pointed out recently by a report of the Canadian Law Reform Commission—so that, particularly as it relates to these kinds of controversial drugs, people would not find themselves in the position of being unknowing objects of *de facto* medical research?

[*Translation*]

Miss Bégin: Of course, my reply to this question is yes. I am concerned with this problem which is still with us, and as tomorrow marks the one hundredth anniversary of the Ontario Medical Association, this is one of the issues I intend to raise in my speech.

* * *

[*English*]

CANADIAN RED CROSS

SIXTIETH ANNIVERSARY OF ONTARIO DIVISION

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is for the right hon. Prime Minister. Considering the fact that this year marks the sixtieth anniversary of outstanding contribution in social services by the Ontario division of the Red Cross to this country, would the right hon. Prime Minister agree to send a message of congratulations on behalf of the Government of Canada—

Some hon. Members: Oh, oh!

Mr. Flis: —to the Ontario division of the Red Cross for helping to preserve—

Mr. Baker (Nepean-Carleton): Order.

Madam Speaker: Order, please, that is not a question.

* * *

ENERGY

EXTENSION OF NATURAL GAS PIPELINE TO MARITIMES—GOVERNMENT POSITION

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Previously he indicated in the House during question period that he would not consider extending the gas pipeline beyond Quebec City into the maritimes from Montreal because of environmental studies. Are the environmental studies in progress now? Does the minister still stand by this decision?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the decision to which the hon. member is referring had been made by the National Energy Board. As the hon. member may recall, the board had mentioned two factors which prevented it from recommending the extension of the pipeline into the maritime provinces. The first was a series of environmental studies which had not been completed to the board's satisfaction, and the second was the board's desire to secure further information on the exploration of Atlantic offshore mineral deposits. In reply to the first question raised by the hon. member, I will say that I have already met with the promoters of this project. I have discussed this matter with them and asked them if they could possibly complete these environmental studies to provide information which would satisfy the National Energy Board, something the hon. member is aware of. Cabinet could only accept the board's report as such or reject it completely. It decided to accept it and allow at least the construction of the pipeline within Quebec borders for the time being, indicating its hope that the gas pipeline could be extended into the maritime provinces as soon as possible.

[*English*]

Mr. Shields: Madam Speaker, I have a short supplementary question. Obviously, then, environmental studies were done on the extension of the pipeline from Montreal to Quebec City. Would the minister confirm that this is so; and if so, would he table these studies in the House? I would appreciate the information.

[*Translation*]

Mr. Lalonde: Madam Speaker, all these studies have been laid before the National Energy Board. They were part of the evidence produced by the various partners whose application was before the board. These documents have already been made public. If I can be useful to the hon. member by getting them from the board for him, I will certainly try to do so but again, I think these documents were made public and were used as evidence before the board.

* * *

[*English*]

THE CANADIAN ECONOMY

TAX INCENTIVES FOR INDUSTRY LOCATING IN SLOW-GROWTH AREAS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. In view of the sharp decline in seasonally adjusted employment for May—the greatest since April, 1967—will the minister consider implementing the provisions of the December 11 budget which proposed a system of tax incentives by way of tax contracts for industries locating or expanding in slow-growth areas?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in the statement I made to the House in April I explained at that time why I did not bring forward the proposal that had been made in the December budget. Also, I believe I indicated that I would be giving further thought to possible steps which could be taken in that direction.

Mr. Howie: Madam Speaker, will the minister immediately bring forward the small business bond which he mentioned in his recent budget-like economic statement?

Mr. Baker (Nepean-Carleton): Economic-like budget statement.

Mr. MacEachen: Madam Speaker, it is my intention at a very early date to bring forward at least the guidelines which will be the basis of this particular program.

Some hon. Members: Oh, oh!

Mr. MacEachen: The legislation itself could not be ready and it could not be passed for some considerable time.

An hon. Member: Why not?

Mr. MacEachen: Because it is part of the Income Tax Act. As I recall, I made a commitment at that time that I would allow the bill, or the draft bill to be made available for further comment. In order to avoid that anticipated delay, it is my intention to make available the ground rules with respect to the small business development bond at a very early date.

* * *

● (1500)

CONVENTION CENTRES

GOVERNMENT POLICY—CENTRE IN OTTAWA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of State for Small Business. Some weeks ago the minister made a statement in the House that a convention centre policy was under review and would be available shortly.

Would the minister advise the House whether such a policy is still under development, and whether the rumoured approval of the Ottawa Convention Centre will be part of that policy? When will the policy be made available to the House?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, as far as the development of a national convention centre policy is concerned, I want to indicate that the cabinet is still developing this policy and the announcement made this week with regard to the Ottawa Convention Centre is not part of this policy.

[*English*]

Mr. Wilson: Madam Speaker, my supplementary question is to the same minister. Would the minister advise the House when government policy on convention centres will be available to assist people in Toronto and throughout Ontario in the planning of convention centres?

Could he also tell us in what way the Ottawa Convention Centre will not be part of that policy, and whether the convention centre here will replace the convention centre in Toronto in terms of funding by the government?

Mr. Lapointe (Charlevoix): Madam Speaker, the policy will be made available shortly. With regard to the help accorded to the Ottawa Convention Centre, or the Rideau Centre, that is part of planned federal participation in the centre by the Department of Public Works.

Mr. Baker (Nepean-Carleton): You are wonderful fellows.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

Second report of Standing Committee on Agriculture, in both official languages—Mr. Tessier.

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

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PETITION

REQUEST BY PEOPLE OF ONTARIO FOR LOWER INTEREST RATES TO ASSIST HOME OWNERS AND SMALL BUSINESS

Madam Speaker: I have the honour to inform the House that the Deputy Clerk of the House has laid on the Table the eighth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Oshawa (Mr. Broadbent) and finds that it meets the requirements of the Standing Orders as to form.

* * *

THE CONSTITUTION

STATEMENT ON MEETING OF FIRST MINISTERS TO DISCUSS RENEWAL

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, three weeks to the day after the Quebec referendum, I have the pleasure to report to this House on yesterday's meeting of first ministers on the renewal of the constitution. My remarks will be brief because I do not want to impose upon hon. members' good will on this opposition day and also because the leaders of opposition parties, as well as private members, will undoubtedly want to ask me further questions on this subject. I would rather use the time allocated to me to answer specific questions.

The first thing to point out following yesterday's meeting is that it resulted in a collective decision which could prove most beneficial for Canada. In effect, all first ministers have committed themselves to reach by September major decisions on the constitution, and in order to do so they have given themselves a very tight three-month schedule of meetings and negotiations.

In fact, Madam Speaker, we have made a commitment, in our own name and in the name of our ministers and officials, to spend during the next three months twice as much time on the constitutional problem as was spent in the last two years by the federal and provincial governments combined.

This is evidence of the importance and urgency that both myself and the premiers attach to the renewal of the Canadian federalism and of our constitution. It is also a sign of our strong will to fulfil the promise we have made to Canadians to bring real and substantial improvements to the fundamental law of this country.

[*English*]

The hope of the federal government was that the premiers would want to join with us in urgent and effective action to give Canada a new constitution which will be fully responsive to the present and future needs of the country and its people. That hope has now grown into a joint federal-provincial commitment.

I, therefore, want to pay tribute to the premiers' open-mindedness and generosity of spirit which made that commitment possible. I realize we could not have made that commitment if we were not aware of the strong support for real reform among the people we represent, so I gladly pay tribute also to the spirit and the will of the people of Canada at this decisive moment in our history.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am confident that the next three months of very concentrated effort will produce, at the next meeting of first ministers in the second week of September, an agreement on the so-called short list of issues which we discussed yesterday. I am equally convinced that if we fail to reach substantial agreement in September we will be courting disaster for Canada. In that event, the federal government would have to give very serious consideration to its options and recommend to Parliament a plan of action which would allow us to fulfil our responsibilities to the people of Canada.

It was drawn to my attention that, subject to correction, the Leader of the Opposition (Mr. Clark) would have said words somewhat to that effect last Friday and such is the case. I am encouraged to hear that, if properly reported, he would have indicated that if there were a deadlock in discussions at the first ministers' level, then Parliament would have to take its responsibilities. That is also my view and, also subject to correction, I believe it would be the view of the Leader of the New Democratic Party (Mr. Broadbent). I am very encouraged by this.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am confident that the agreement we seek will both strengthen the rights and freedoms of the people and define a division of federal and provincial powers which will enable Canada to achieve its great potential. I am determined that, in our progress toward agreement, we will not engage in any trading-off of the rights and freedoms of the people against the powers of governments.

With the consent of the House, Madam Speaker, I will table the documents I distributed to the premiers yesterday. They are a meeting agenda, a statement of principles for a new constitution, a list of priority issues, and a calendar of meetings for first ministers and ministers between June 17 and September 12.

With regard to the priority issues, Madam Speaker, I would not want to mislead the House in any way. The copies which I have tabled and the copies which were distributed are a statement by the federal government. The list itself has been amended by adding one item to the list which we brought to the meeting yesterday, the item of fisheries. The only other difference between the list now tabled and the list that we circulated at yesterday's meeting is that our list yesterday had two columns; one column lists items that are of general interest to the people of Canada and the other column lists items concerning the division of powers between governments.

I commend to the earnest attention of all hon. members the two documents dealing with principles and priorities. It would be my hope that members from every part of Canada, and of all parties, would consider and discuss the contents of these papers among themselves and with their constituents.

Such consideration and discussion would not only assist the federal and provincial governments and Parliament and legislatures in our progress toward constitutional renewal, but would also help ensure that Parliament will play its full and rightful role in the building of the Canada of the future.

Some hon. Members: Hear, hear!

• (1510)

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to make a brief response to the statement of the Prime Minister (Mr. Trudeau) and I will have some questions following the response of the Leader of the New Democratic Party (Mr. Broadbent).

I want to begin by thanking the Prime Minister, on behalf of the House, for reporting so quickly to Parliament on the Prime Minister's conference yesterday.

Some hon. Members: Hear, hear!

Mr. Clark: Judging by the Prime Minister's statement and the public comments of other participants, it appears that the first ministers' meeting yesterday made a reasonable start on the process of constitutional change and there is no question that all members of the House applaud that progress.

As I understand it, the Prime Minister sought agreement on a statement of principles as well as on process, and the goal of agreement on a statement of principles was not reached. It may not even have been pressed by the Prime Minister after he noted the reaction of other first ministers. Consequently—and I think it important that the House and the country understand this fact—the document relating to principles which the Prime Minister has tabled represents only a proposal by the federal government and not an agreement by the meeting.

The Prime Minister made reference to my speech of Friday. He learned long ago the value to him of reading my speeches and adopting my policy, and I recommend that speech to him as well.

I must say that I am a little surprised by the Prime Minister's assertion in his statement that "all of the first ministers committed themselves to a September deadline for major decisions". My understanding from the public comments of the premiers is that many of them see the September meeting as an opportunity to conclude whatever agreement has been reached by ministers and officials in the intervening months, but that they do not regard September as a deadline for decision on all items in the list. Indeed, Premier Blakeney is reported as saying: "We agreed unanimously there should be no deadline for reform"; and if that is so it was a wise decision by the first ministers, because agreement on complex and fundamental questions is work that is too important to be jeopardized by artificial deadlines.

Premier Blakeney went on to say: "We also agreed unanimously if we meet in September and accomplish nothing, it won't look very good"; and certainly the House would hope that discussions this summer will result in an agreement on several specific matters. The question of the nature of the agreement yesterday and the nature of the goals for September affects the expectations that will surround the September meeting, and I hope the Prime Minister will indicate later whether, in his view, the other first ministers are committed to agreement, in principle, in September, on any, on all or on most of the 12 items in the list.

[*Translation*]

I also noted the following words of the Prime Minister:

—the federal government would have to give serious consideration to its options and recommend to Parliament a plan of action—

—if there is no agreement on the short list of items.

Mention was made of the use of a federal referendum to try to force acceptance of some changes the federal government wants, and we would like to know if that is what the Prime Minister really means or what other unilateral initiatives he is contemplating.

I should like to add that if the federal government expects a co-operative attitude from the provinces with regard to constitutional reform, it must be co-operative itself about other matters that are of importance to some provinces. The Prime Minister knows that I worry over the recent statements some of his ministers made and that I fear they will ruin the atmosphere of good will that will be necessary for constitutional reform.

[*English*]

In closing, I want to express my satisfaction and that of my party that the first ministers have agreed on a busy agenda for the summer, and to express also the hope that the discussion will be pursued in a genuine atmosphere of co-operation and lead to significant agreement by September.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, I, too, would like to join with the Leader of the Opposition (Mr. Clark) in congratulating the Prime Minister (Mr. Trudeau) for reporting so quickly to Parliament on the results of yesterday's conference.

Clearly, Madam Speaker, yesterday produced solid evidence for the first time in a long while for believing that Canadians can expect early and substantial constitutional change. For this reason, all participants in the meeting yesterday deserve the unqualified commendation of members of the House.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: The participants showed their good will yesterday. The same attitude must continue to prevail this summer. And of course, Madam Speaker, some decisions will finally have to be taken at the September conference. I agree with the Prime Minister (Mr. Trudeau) in that regard. Quebeckers and Canadians of other areas have been waiting long enough for a new Canadian constitution that would allow Quebeckers to prosper within Canada and would recognize as well the legitimate regional grievances. I repeat that it is imperative that decisions be taken in September.

[*English*]

It is worth noting in the context of the decision-making process that my party has previously made known its constitutional position on the importance of including fundamental rights and language rights in a new constitution; on the need to leave with the federal government certain financial powers that will enable it to provide at long last an industrial strategy for this country from coast to coast; and on the need to improve our representative system in Ottawa so that those who live in both the west and in the east in particular will feel that they have a higher degree of effective and numerical representation here in the nation's capital.

For a number of months, Madam Speaker, a special 35-member committee of my party has been at work preparing detailed recommendations on the constitution and other matters, including all of the specifics in the short list that the Prime Minister tabled today. I am pleased to say, Madam Speaker, that on these matters we have made decisions for a series of meetings that will take place over the summer as well, and we as a party will be ready for the September first ministers' conference with very specific suggestions for consideration at that time.

Having made these general observations about the substantial progress that now seems to be under way, I want to conclude with a minor but critical observation. No other democratic nation in the modern world has left to such a small number of people—in this case 11—the serious task of making the decisions which will reshape the nature of a democratic state. While unquestionably wishing those 11 individuals every success, on behalf of my colleagues I should like to say that I profoundly wish that the people who met yesterday had found a more effective manner of involving substantially more Canadians in this very important democratic process.

Some hon. Members: Hear, hear!

Madam Speaker: Is it agreed that the documents referred to by the right hon. Prime Minister (Mr. Trudeau) be tabled at this time and appended to *Hansard*?

Some hon. Members: Agreed.

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

Mr. Clark: Madam Speaker, during my response to the Prime Minister I referred to the expectations that will surround the meeting in September and I quoted a passage from his statement today which I found surprising. I wonder if the Prime Minister could tell the House whether he is in a position to say categorically that all the first ministers at yesterday's meeting accept the September meeting as a deadline for decision on all or a great majority of the 12 items?

Mr. Trudeau: Madam Speaker, the best answer I could give would be to refer the hon. Leader of the Opposition and the House to the calendar for future meetings which I have just tabled and of which the Leader of the Opposition has a copy. Under September 8 to September 12 we read that the first ministers in open conference will meet in Ottawa to finalize agreements on work under way, and to put in train a further work program. These words were not the words of the federal government, Madam Speaker. The words we had in our first draft were: "to reach conclusions on work under way". In my view, they had the same meaning because we always talked of the urgency of making decisions by September. But it was at the request of some of the premiers that I put in the document that was accepted by us the words "finalize agreements." This indicates, it seems to me, a clear intention to consider that meeting final as regards the list that we then have before us, because it goes on to say that we will put in train a further work program.

● (1520)

This being said, I would not want the Leader of the Opposition or indeed any of the premiers to think that I am trying to impose on them a deadline if they do not want to accept that deadline. The Leader of the Opposition quotes a statement by one premier which seems to contradict that. All I can say is that that was not my impression of the meeting yesterday.

Several of us, indeed, on the contrary, made it quite clear—several of us, I repeat—that we had to have action by September, much as the Leader of the New Democratic Party has just indicated on behalf of his own party; otherwise there would be catastrophic consequences for the future of the country. So there is, I can certainly say, a large consensus to consider that a deadline, but I would take no exception if some premier would plead that he is not personally part of that consensus.

Mr. Clark: Madam Speaker, I think this important, and I am pleased that we have the undertaking from the Prime Minister that he will do nothing to try to impose a deadline upon the discussions which is not agreeable to the other participants in yesterday's meeting.

Mr. Trudeau: I did not give that undertaking.

Mr. Clark: The Prime Minister said he did not give that undertaking. I thought he said quite explicitly, Madam Speaker, that he would not impose a deadline. Perhaps, then, the Prime Minister can tell us whether or not he believes that he has an agreement from the other first ministers participating yesterday that the decision at the meeting in September will be a meeting to finalize agreement on all 12 items or simply to finalize agreement on those subjects on which agreement has been reached by the committee of ministers or "fonctionnaires" of the public servants meeting through the summer.

The word "finalize" as it appears in the communiqué could have very different meanings. Since there is a very real importance here given to the expectations that surround the September meeting, I think it significant that we have a commitment from the Prime Minister that he will not try to inflate expectations in a way that might lead to either disagreement or disappointment in September.

Mr. Trudeau: Madam Speaker, the words are quite clear—"to finalize agreements on work under way", which are the dozen or so items. The Leader of the Opposition suggests that "finalize agreements" might mean only finalize agreements on that on which we had finalized agreement. I do not think that is a productive way of interpreting the statement we made yesterday.

The hon. Leader of the Opposition seeks a commitment from me that I will not consider that as a deadline. I will not give him that commitment. Quite to the contrary, I consider that as a deadline. I suggest that certainly many of the premiers there, and if I understand the Leader of the New Democratic Party, do consider that as a deadline. I do not want to rope in any premier who might say that he personally does not consider it a deadline. But I do, and I suggest that that was the meaning of the text that we adopted generally yesterday.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, just so that we are clear on this point, the Prime Minister is telling Parliament today that he expects to have, after the four-day meeting in September, an agreement by the 11 first ministers on each of the 12 items in

the short list. Is he telling us that that is his reasonable expectation today, that that is what he expects to come out of the September meeting?

Mr. Trudeau: Madam Speaker, I expect that we will have dealt with those 12 items in a final way. It is possible that we will not be able to agree on them all. If that is the case, I think we will each have to take our responsibilities as to whether there is sufficient body of agreement to consider progress satisfactory or not. I am not predicting we will all agree necessarily on everything. I am saying that we must make every effort to seek that agreement. If we do not achieve it, I indicated that I thought that would be a very considerable failure of grave consequence for Canada.

Mr. Clark: Madam Speaker, I do not want to pursue this matter at this stage. I simply express my hope that the Prime Minister will understand that such an agreement as was reached yesterday was reached because an atmosphere of co-operation existed involving all of the eleven governments, and indeed involving this House. If there were to be actions taken which led to false expectations and consequently to a disagreement in the meeting in September that might not otherwise occur, and to a rupture of the process, that would be something to be regretted by all members of this House.

Let me turn to one other matter, and perhaps other of my colleagues will have additional questions. During his remarks today, the Prime Minister referred to the possibility of the federal government reviewing other options. We have heard and discussed in the House the question of the option of a national referendum. Will the Prime Minister tell us, first, whether he is now considering a referendum, and whether he discussed that with the premiers? Second, what other kinds of options is he considering? Third, if it is a referendum, is it his present intention that a referendum sponsored by the federal government would deal only with questions which lay within the jurisdiction and the competence of the federal government?

Mr. Trudeau: Madam Speaker, on the first part of the question, I want to emphasize most strongly that those who considered September as a deadline—and I took it to be the consensus of the meeting—included several premiers who made it very clear that in their mind urgency was of the very essence of the operation. Several spoke to the point that if we did not act with great urgency we might, as early as the fall, have cause to regret it. So that is the only glossary I can add to my previous answers.

As to the second part of the question on a referendum, Madam Speaker, I cannot recollect the matter having been raised yesterday. It was not certainly by me. Therefore, the third and fourth questions as to the nature of that referendum—

Mr. Clark: The other options.

An hon. Member: You referred to options.

Mr. Trudeau: As for the other option, Madam Speaker—

An hon. Member: "Options".

Mr. Trudeau: —I think the text is as general as I would care to put it this afternoon because I am optimistic at this stage that we will all act, and act rapidly, in agreement.

I indicated that I would recommend to Parliament a plan of action which would allow us to fulfil our responsibilities to the people of Canada. It was at that point that I quoted the Leader of the Opposition, who I thought shared our views on that, without tying him to that particular date. I understood his views to be that if there were a deadlock which was judged to be such at some point, Parliament would have to take its responsibilities. That is my view. Perhaps the Leader of the Opposition does not care at this time to express in what way Parliament would have to take its responsibilities, but I would be happy to discuss that with him privately if he wishes.

Hon. Jake Epp (Provencher): Madam Speaker, my questions also are directed to the right hon. Prime Minister (Mr. Trudeau). I think all of us in the House want the process to succeed and that is why it is so important we all understand the process.

In terms of the deadline, there are operative words in the calendar that the Prime Minister has tabled today with regard to the meetings of September 8 to 12. The last words are "put in train a further work program." I would interpret those words of the Prime Minister, who obviously wants to have some agreement at that meeting, as indicating that other work would still be necessary after the meetings of September 8 to 12.

• (1530)

I would like to ask the Prime Minister, was there any discussion yesterday with the first ministers in terms of enlarging participation from the 11 participants of yesterday for the meetings of September 8 to 12? It has been mentioned in this House and in other circles as well, in terms of constitution-making, that consideration should be given to enlarging that group. Was that discussed? What was the conclusion in terms of participation of other members, and specifically that of the Leader of the Opposition (Mr. Clark), at subsequent meetings?

Mr. Trudeau: Madam Speaker, on the first part of the question concerning the other work to be brought in after the September meeting, the answer is, of course, that the list which we agreed on does not cover all the matters to which the provinces and the Government of Canada attached importance. We chose a list which was largely produced by a meeting in February, 1979, of first ministers and subsequently modified by the continuing committee of ministers on the constitution when the Leader of the Opposition was prime minister.

The basis of the list I put to the first ministers yesterday was indeed a list which, subject to correction, we inherited more or less from the continuing committee of ministers on the constitution under the Clark government, but we went through that

list and many participants specified that although the list was not all-inclusive, it did indicate the priorities we had for September. Of course, no one felt he would be excluded from bringing in other matters after September.

On the second part of the question concerning the enlargement of the participating group, I put the question directly to the premiers because I had in mind a suggestion which had been made to me last week by the Leader of the New Democratic Party. I asked if the premiers would consider enlarging their delegations as we would enlarge ours by the addition of leaders of opposition parties. Once again, I do not want to speak for all of them or answer for each, but I think it is fair to say that they were quite negative to that proposal, which I believe is the attitude of the present Leader of the Opposition who thinks that it should be the job of the 11 ministers, at least in the early stages, to pursue these meetings and to head the delegations.

As far as I am concerned, the subject matter is still open. I have told the leaders of the other parties in this House that if we were to agree on a plan of action, I would gladly consider making them active participants in any federal delegation which I would lead. To that answer I should add that we also discussed the question of participation by native Canadians, participation by the representatives of the Yukon and Northwest Territories and, indeed, the question of the participation of mayors and municipalities who are asking to be included in such discussions. We had a very lengthy discussion on these subjects too.

Mr. Epp: I would like to ask the Prime Minister another question which arises from his last statement in answer to my first question, and that is the participation of elected members or elected leaders from the territories. If I can repeat my earlier words, as the process evolves those people who are not only deeply interested but who will be affected by constitutional changes will, if success is to be achieved, need to have some participation rather than a decision being given to them. Was there a clear rejection by the Prime Minister and the premiers of participation by elected government leaders of the territories, and obviously there is one territory that has different status, namely the Yukon?

Mr. Trudeau: Madam Speaker, I would state it in a more positive way. There was a clear preference expressed by, I would say, if not the totality then certainly the overwhelming majority of the 11 present yesterday, for proceeding the next time only with first ministers. The question was discussed, I repeat, of adding representatives from the territories and from the municipalities. Indeed, several first ministers indicated groups of different kinds in their provinces that would like to participate, such as the Francophonie Quebec.

The conclusion was reached that we should continue in the future as we have in the past and have the 11 governments head delegations. In those delegations we could, of course, include, as we have in the past, representatives of the territories. As some of the first ministers point out, they had in the past included representatives of municipalities, Indian bands and so on. The procedure willed by the 11 first ministers yesterday was that we continue to have 11 delegations meeting, with each first minister being free to bring into his delegation those people he feels should have a voice or a place in his delegation.

I should add that the Minister of Justice (Mr. Chrétien) did meet with representatives of the territories in recent days and indicated that we would want to include them in our delegation as we have in the past. There may be in the future some larger form of constitutional convention, but for the time being the procedure will be 11 delegations led by 11 first ministers.

Mr. Broadbent: Madam Speaker, the Prime Minister knows both from private conversation and from public statements that my colleagues and I favour at some point an outside deadline being established for these important talks. I understand from his comments that he shares the view that it is important, while setting a deadline, to avoid any suggestion of confrontation or belligerency at this point.

In light of the Prime Minister's earlier answers to the Leader of the Opposition, and just for the purpose of clarification, with regard to the short list of items that were agreed to for the September meeting, what is the Prime Minister's view in approximate terms about the number of items that have to be agreed to before the September meeting in order for him to think that that is sufficient progress not to require, for example, parliamentary action?

Mr. Trudeau: Madam Speaker, I begin by saying that we agree with the Leader of the New Democratic Party who favours deadlines but no belligerence. I would indicate to him that there was no setting of a deadline by me yesterday. I proposed a calendar. It was discussed, modified and finally accepted. In so far as that calendar contains a notion of a deadline by talking of "finalizing agreements", I want to assure the Leader of the New Democratic Party that is was not as a result of belligerency that I got that particular agreement.

I think the next question is impossible to answer except by saying the maximum number of agreements would be 12 and the optimum would be near the maximum. We will have to be reasonable and see if there is substantial progress or not. I am not sure I follow the logic of the Leader of the New Democratic Party when he says that if we reach a great measure of agreement, or a maximum of agreement, then perhaps parliamentary action would not be needed. I would think on the contrary. Perhaps I misinterpreted his thinking, but if we have reached optimum agreement, hopefully we will be proceeding with parliamentary action very soon after that agreement.

● (1540)

Mr. Broadbent: This is a two-part question to get clarification of the point made by the Prime Minister. As I understand it, both from private conversations and public statements there are two situations in which parliamentary action might take place. One is if there is substantial agreement, and as part of the normal process of amending the constitution and hopefully repatriating it a special act of Parliament would be required.

That would be essentially in support of or in agreement with action taken by the provinces. There could be no conceivable dispute that I can imagine about such a course of action.

The other circumstance under which Parliament might take action is if there is a constitutional deadlock resulting from a lack of unanimous agreement, or even in other circumstances where two or three provinces might not agree on a number of items. I was attempting to get clarification from the Prime Minister about the second situation as it pertains to this list. If I understand him correctly, he is not insisting that all the items on the short list be agreed to at the September meeting, or that the lack of complete agreement, if that should occur, would not necessarily lead to his wanting to bring before Parliament perhaps special legislation which would be submitted and voted upon to get constitutional change in spite of what some of the provinces are doing? Is that the Prime Minister's position?

Mr. Trudeau: I am not sure I followed the question very closely, Madam Speaker, but I will attempt to answer it. Obviously, if some items of the 12 have not been concluded in the sense that some of the delegations are asking for more time to work them out, but there has been a large body of agreement on the rest, I would not then say we are courting disaster. The list is made up of items which various levels of government considered extremely urgent; and it may be that one premier might consider one item extremely urgent, and even if that item were not solved it would be possible for the rest to say: "Look, we are doing well, let's go on; we don't have to press the panic button".

But these are all hypothetical situations. Being short of unanimity on everything does not mean it will be catastrophic. But once again, the mood of the meeting and certainly the mood of people on this side of the House is that we have to make very substantial progress by September, otherwise we shall fail in the expectation which every party in this House and certainly every premier, including the Prime Minister, created during the referendum—that we would all get down to business and renew federalism very quickly.

Mr. Broadbent: A final question, Madam Speaker. As the Prime Minister knows, in February, 1979, a substantial amount of agreement was reached between the government he then headed and the provinces on virtually the whole of the list which has been tabled today. Is it now the position of the federal government that the agreement which was reached on most of those items in 1979 is the take-off point, or is it the view of the Prime Minister that all these items have to be looked at anew?

[*Translation*]

Mr. Trudeau: Madam Speaker, it is precisely because the leader is right that we were able to set so early a deadline, because there was a lot of work done before and since February, 1979, on those items on the agenda that we think it is not unrealistic, after weeks of meetings at the level of the Minister of Justice (Mr. Chrétien) and the provincial attorneys general, to think of setting a deadline as early as September. So I say to the hon. member that the commitment was not specific because every one of the participants yesterday wanted to take it exactly from the point we had reached in February. Each will perhaps want to reconsider his positions on one item or another of the agenda, but on the whole I think the plan we had made to September, 1979, will hold and we will be able to take it from there this summer in the discussions that will be taking place.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question to the Prime Minister concerns his statement that Parliament should play its rightful and full role in these developments. Has he anything in mind for Parliament between now and the conference in September and, if he has, what kind of role is he contemplating—for example, the establishment of a special committee, or a joint committee, or of providing opportunities for special debates in this House? Is there something he can tell us about extending the input role of parliamentarians?

The right hon. gentleman also made the statement that perhaps it would be better if there were more participation and that this might be a way of ensuring it. Could the Prime Minister elaborate on what he has in mind?

[*Translation*]

Mr. Trudeau: Madam Speaker, it is precisely because I did not have a firm answer to that question that I preferred to make a statement on motions as early as today. I am open to suggestions from the other side as far as the participation of parliamentarians until September is concerned. The Minister of Justice is known to be a flexible man. He will be directing the work and I am sure that if members of other parties want to participate in the drafting or the elaboration of some of those documents or those thoughts, either in this place or in committees on a private basis or in parliamentary committees, he would be verry happy to welcome assistance from all sides of this House.

Hon. Roch La Salle (Joliette): Madam Speaker, I would like to ask at least one question that I find very relevant in the circumstances as the provincial premiers had an opportunity yesterday to make some of their particular interests known to the Prime Minister of Canada. I am also pleased to see the good co-operation of the provinces and particularly the Premier of Quebec who showed I think a measure of good will. Like all premiers, he also indicated certain reservations and at the same time he set a certain minimum in that desire to co-operate for that new federalism. He reiterated in particular that principle of self-determination on the powers regarding languages and education. Indeed that principle has already been recognized as acceptable by both the Pepin-Robarts report and Mr. Ryan. I do not know whether he repeated it again last Friday to the Prime Minister of Canada, but to have that good co-operation from Quebec, it seems there are, never-

theless, minimums that are hopefully, it seems, according to Mr. Lévesque, basically non-negotiable. Does the Prime Minister—and that is my question—intend from here to September, for the good operation of those future negotiations, to meet his Quebec counterpart and discuss as a whole those three specific points that seemed very obvious in any event in the statement of the Premier of Quebec at yesterday's meeting?

● (1550)

Mr. Trudeau: Madam Speaker, I wish to assure the hon. member that all provincial premiers will be most welcome if they wish to meet me before September to discuss specific issues, but I repeat to the hon. member for Joliette (Mr. La Salle) that according to the procedure established by the premiers themselves yesterday, the ministers responsible for constitutional renewal, in our case, the Minister of Justice will be responsible for holding meetings and following up on the debates.

This does not preclude meetings between the premiers and myself. In fact, as everyone is aware, the premiers will meet in Winnipeg around the end of August and they might also discuss these questions. However, I should add that the list of priority issues for the decisions to be made in September was established with the unanimous agreement of all premiers, including the Quebec premier, and that he himself did not ask that the subjects mentioned by the hon. member for Joliette be added to the list. He might want to express his opinions when we or our delegations discuss the statement of principles, but in any case, we shall discuss this matter when he asks his questions.

Mr. La Salle: Madam Speaker, it seems that the Quebec premier deplored for instance the fact that in his statement the right hon. Prime Minister of Canada mentions only the existence in Canada of the Canadian people. It seems that Mr. Lévesque would have preferred that mention be made of the existence of two peoples, Francophones and Anglophones, which duality was also recognized by the Pepin-Robarts commission. Does the Prime Minister intend to recognize this Canadian duality in future negotiations?

Mr. Trudeau: Madam Speaker, we on this side of the House have always rejected the political concept of two nations. I do not know the position of the hon. member for Joliette on this issue. Of course, we would be interested to learn what it is. However, for our part, we recognize the concept of duality both from the point of view of history and from that of its application to the linguistic reality of everyday life, and we alluded to it when we spoke in the statement of principles about the meeting of the English fact and the French fact in America. This recognizes the historical duality of Canada. Further on, we spoke about the official character of the French and English languages in Canada. This recognizes the linguistic duality or the equality, if you wish, of both official languages. But from there to believe as the hon. member seems to do that there are several people in Canada, we prefer for our part the expression—

Mr. La Salle: I did not say several.

Mr. Trudeau: Two peoples in Canada? We speak about the Canadian people, and if I am not mistaken, this was the position taken by the majority of Quebeckers in the referendum.

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I have been listening to the questions and I have not seen the list, but I would like to suggest in my question to the Prime Minister (Mr. Trudeau) that he consider the fact that we are trying to build a constitution which hopefully will be as good and last as long as the last one.

One of the facts which seems to be omitted in these discussions—and, I suppose, in the list—is the fact that 60 per cent, 70 per cent and maybe 80 per cent of our people now live either in big cities or in large regional concentrations, or will in the future. Is there some way we can work in the views of the Association of Mayors and Municipalities which have been expressed to the provincial governments and to the federal government for the last 30 years which would make it possible for the civil servants who will be working on this problem during the summer to consider some imaginative proposals on how both the federal and provincial governments can delegate some of their powers for temporary periods to these large cities or large regional governments to provide some evidence to this big mass of the Canadian people that we are trying to meet the needs of these many people who, for their own good reasons, want to live in the cities and yet have a place in the power structure without interfering with the constitutional powers of the federal or provincial governments? I believe there is a way. Would the Prime Minister consider allowing a place on the agenda this summer to get this input to the officials?

Mr. Trudeau: Madam Speaker, I personally have great sympathy for the point of view put forward by the hon. member. I believe I stated a few times in previous weeks, when I was explaining this in answer to opposition questions, that not only the elected representatives of the territories but also the elected representatives of municipal governments felt they wanted to participate in these debates, which concern their future because, as the hon. member knows, many of them—and I feel rightly so—feel that provincial governments are much too centralized and should decentralize their powers to a greater extent. For that reason I raised the subject yesterday with the first ministers and indicated the hope, as I answered an earlier question, that we would find some way of getting these various groups to get their inputs to us either by submitting briefs or by participating in some way in the delegations when they are convened next September.

I think that would perhaps not be a satisfactory answer to the municipalities and to the hon. member except that I want to go on and say that we have not exhausted all matters for

discussion by September, and that indeed the question of municipal institutions was raised by our government in February, 1979, as a subject matter which deserved a great deal of attention. I can tell the hon. member that as far as we are concerned we still consider that a priority item. It simply is not on the list of items for the work between now and September, but we still consider it, as I understand the hon. member does, an item to which anyone working on a new constitution should give attention.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I am very grateful to the Prime Minister for his answer because I think it has been a great disappointment to many Canadians that both levels of government have not given consideration to this over the last 30 years when the situation was arising.

I would like to go on to my previous proposal and suggest that since this is not a matter of priority in the first two summer months, it might be well for Canada if the Prime Minister took the lead in putting forward some proposals dealing not only with cities per se and with large regional governments, but also with groups of provinces or parts of provinces using the technique of delegating powers from other sources of power, the provinces and the federal government, to solve some of their problems which are basic to the wider constitutional difficulty. It would be in the interest of realizing that Canada has changed a lot in the last 112 years if the Prime Minister could put forward one or two imaginative ways which could solve this situation in a co-operative sense by keeping it flexible, so as to maintain powers with the provinces and the federal government on a permanent basis but to delegate those powers over periods of time, first to the cities and second to these large regions, to a group of provinces or in some cases several regions within a province where the clashes are just as great.

Mr. Trudeau: Madam Speaker, I could not agree more with the intention of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I repeat that we took the initiative in February of 1979 of putting that on the list of items to be discussed because—and I repeat—we feel that the provinces have tended to centralize powers too much in the provincial capitals rather than use some such method as the hon. member suggests to spread around the exercise of administrative and other powers.

I will certainly undertake to give consideration to the precise suggestion for delegation put forward by the hon. member, but I remind him of something he of course already knows, and that is that municipal governments under the BNA Act come within provincial jurisdiction, and they are somewhat jealous of that jurisdiction. For that reason, I think we would only be able to proceed by way of suggestion rather than action by the federal Parliament.

• (1600)

So I would hope that the municipalities themselves, and interested Canadians such as the hon. member for Qu'Appelle-Moose Mountain, would support the municipalities in pleading with the provincial governments that perhaps a new Canadian constitution would have greater provision for municipal powers and autonomy within the centralized provincial governments.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I would like to ask the right hon. Prime Minister (Mr. Trudeau) a question on what seems to me to be at the heart of constitutional reform, this whole matter of a new distribution of constitutional jurisdictions.

Assuming that the provinces fail to reach agreement in this matter or, say, if a province like Quebec or a minority of others would wish to have certain powers that a majority of provinces would rather see entrusted to the federal government, does the right hon. Prime Minister foresee a solution which would also allow for constitutional reform or does he feel that to all intents and purposes, we would reach a complete impasse?

Mr. Trudeau: Madam Speaker, this matter was discussed at various meetings on the constitution and proposals have been made to find a solution, namely the delegation of legislative powers in one sense or another. I know that the Premier of Alberta for one had pushed this idea at a constitutional meeting held at a time when the Progressive Conservative Party was in power. It was not advocated yesterday but we would be prepared to examine it if it is in the interest of the provinces.

Madam Speaker, I would like to add that, as the hon. member has said, the distribution of powers is truly at the heart of the constitutional problems but he must surely know that there are other constitutional problems than those which might give rise to some sort of power struggle between the two, three or four levels of government. Some constitutional provisions are of particular interest to all Canadians while not really being part of this problem of distribution of powers. I hope that in this matter, we will also consider what is directly in the interest of the population rather than government and bear in mind that these matters are also at the heart of the problems, to use the member's expression.

Mr. Duclos: Madam Speaker, I would like to ask the right hon. Prime Minister if, from what he has just said, we might not reasonably conclude that the idea of asymmetry contained in the Pepin-Robarts commission report could be a means to achieve an end with respect to constitutional reform and more precisely with a new distribution of constitutional jurisdictions?

Mr. Trudeau: Madam Speaker, that would depend on the asymmetry in question. If it is on the jurisdiction level per se, we think that federalism cannot be very effective if some provinces have more jurisdiction than others. That is my

personal position which does not preclude asymmetries in particular fields, either with respect to the administration or the application by one province or another of jurisdictions granted to them by the constitution. The hon. member is certainly aware of dozens of examples of special agreements made by our government, for instance, when we made arrangements with the province of Quebec concerning immigration, family allowances or, in the Pearson era, old age guaranteed income supplement. So, from an administrative point of view, it is possible to have arrangements differing from one province to another, but the most important thing is that all provinces have free access to such arrangements if they so desire.

[*English*]

Madam Speaker: Order, please. I should warn hon. members that from now on I will allow only one question from the different questioners, and this will apply to those who have already risen. I have on my list the hon. member for York North (Mr. Gamble), the hon. member for Annapolis Valley-Hants (Mr. Nowlan), the hon. member for Pembina (Mr. Elzinga) and the hon. member for Athabasca (Mr. Shields). I am in the hands of the House, but this is an opposition day and perhaps hon. members would want to debate other matters as well. So I will entertain only one question from the next questioners.

Mr. John Gamble (York North): Madam Speaker, the Prime Minister (Mr. Trudeau) has dealt with two questions posed to him with respect to the part that he thought that this Parliament might play, and he answered one of them clearly in terms of the part played by Parliament in the event that we were discussing work which might lead up to the final meeting in September.

My question to the Prime Minister is: What part does the Prime Minister propose that this Parliament play in the constitutional discussions, given its legal limitations under the constitution which he proposes to change, in the event that there is no agreement ultimately between the provinces and the federal government?

Mr. Trudeau: I am not sure what constitutional limitations the hon. member is thinking of. Parliament, of course, would be free to discuss the general subject of constitutional change, and I indicated to the hon. member for Yorkton-Melville (Mr. Nystrom), I believe it was, that we would be open to suggestion in that regard. I understand from the government House leader that the opposition has two days together in the first part of July which it can use to discuss any subject it wants. For all I know, it may want to discuss the constitution. Opposition days can be used for such purpose and, of course, the government can set time aside—in consultation with other House leaders—if such is the desire of the opposition parties and if such a discussion seems called for at that time.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I should like to direct a serious question to the Prime Minister (Mr. Trudeau). This matter arose at the end of his press conference yesterday and it ties in with the questions of my leader today in terms of expectations in September. The right hon. Prime Minister said that if there was a success in September—depending on how we define success—then this could well expedite his retirement.

I am asking this question seriously to try to remove perhaps some personal elements here. In view of the fact that the Prime Minister has also used words like "disaster" and "catastrophe" if we do not have substantial agreement in September, what would his position be? Would this expedite his retirement, or what would be his status?

Mr. Trudeau: In that case the catastrophe would be that I would stay on for a considerable amount of time.

Some hon. Members: Oh, oh!

Mr. Jack Shields (Athabasca): Madam Speaker, I just wanted to ask the Prime Minister (Mr. Trudeau) whether there has been an agreement to set a deadline before the finalization of all 12 points by September—to which I am not privy at this point—for the energy agreement with the producing provinces, namely, Alberta, Saskatchewan and British Columbia, and if so, what is it?

Mr. Trudeau: Madam Speaker, the question of a deadline was not settled yesterday. I did not understand it to have been raised as a deadline. We all know the present energy agreement expires on July 1. I would refer the hon. member to the energy minister as to the exact status of the discussions with the petroleum producing provinces.

• (1610)

I think on this matter the premiers of those provinces could best speak for themselves if they have views on that, because one of the rules of the meeting we had yesterday was that we would state our own positions, that we would not quote the positions of others by name. That is why today, except when a name was mentioned, I did not want to bring out any names myself. The hon. member seems to wonder about the position of the Premier of Alberta. I could only refer the hon. member to the Premier of Alberta to state that position for himself.

Mr. Peter Elzinga (Pembina): Madam Speaker, in response to the question put by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the right hon. Prime Minister (Mr. Trudeau) indicated that he was very sympathetic toward hearing the views of the municipalities. In his opinion, the powers of the provinces were too great and should be decentralized. I wonder whether the Prime Minister could indicate if he holds the same view in regard to the sentiments expressed pertaining to the powers of the provinces? Does he hold the same view in regard to the powers of the federal government and the centralization of those powers?

Mr. Trudeau: Madam Speaker, I think it has become something of a cliché in the country, in the media and particularly among members of the Conservative party who talk about extreme centralization of the powers of the federal government. I just wanted to offset that cliché by perhaps

creating a new one and a new idea. I would even argue that Canada is probably the most decentralized federation in the world, but this does not prevent members on the other side from continuing to lament that we are too centralized. I just want to draw to their attention that the provinces are extraordinarily centralized. If one asks the opinion of the municipalities, they complain much more about the centralization, and sometimes the autocracy, of the provincial governments than they do of the federal government.

Some hon. Members: Hear, hear!

Madam Speaker: With my apologies, I have to make one slight exception. I understand the hon. member for Nunatsiaq (Mr. Ittinuar) was seeking the floor from the very beginning and I did not see him. In order to be fair to him, I will allow him one question.

Mr. Peter Ittinuar (Nunatsiaq): Thank you, Madam Speaker, for making an exception and recognizing me. I should like to address a question to the Prime Minister (Mr. Trudeau). I think the Prime Minister and the provincial premiers are of the knowledge that the territories are not in the same category or have the same status as municipalities existing within provinces. They are a territory and a government unto themselves without obedience or adherence to provincial governments.

I should like to know specifically what are the plans of the provincial premiers for native, Yukon and the Northwest Territorial governments' participation in constitutional talks and upon what they based their decision of yesterday? What are the Prime Minister's own views in regard to this matter?

Mr. Trudeau: Madam Speaker, I refer the hon. member to the priorities which were proposed by the Government of Canada, which were tabled in this House half an hour ago and which will be appended to *Hansard*. If he looks at the last paragraph in those priorities, he will have in part the answer to his question. With the permission of Madam Speaker, I should like to read it; the document was tabled:

The government also proposes that the leadership of the native peoples continue to be involved in the discussion of constitutional changes which directly affect the native peoples, in the context of the joint work on the item "Canada's Native Peoples and the Constitution". In addition, governments would pay special heed to representations from them on the items in the package set out above.

In so far as the Yukon and the Northwest Territories are concerned, I will just repeat what I believe I have said several times, that under the constitution those territories fall within federal jurisdiction much as the municipalities fall within provincial jurisdiction. I am not attempting to equate them both, but as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out, there are many, many more citizens living in municipalities than there are in the territories put together. All these various groups have their legitimate grievances. Some formula must be devised to hear them on constitutional matters.

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, out of courtesy for hon. members, I would like to give the order of business for tomorrow and Thursday.

Tomorrow we will resume consideration in Committee of the Whole of Bill C-19 on employment tax credits and I hope we will be able to complete that stage tomorrow. Thursday will be the last day of the second reading debate on Bill C-30.

* * *

[*English*]

PETITION

REQUEST FOR LEGAL ACCEPTANCE OF IMPERIAL SYSTEM OF WEIGHTS AND MEASURES

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I have the honour to present to the honourable the House of Commons in Parliament assembled, a petition pursuant to the provisions of Standing Order 67 which, in brief, prays that the system of weights and measures known as the Imperial system always shall be legal and acceptable in Canada, regardless of any other system that may happen to be used.

The petition attached bears the signatures of 4,088 electors. It was sent to me in my capacity as the hon. member for Wetaskiwin for transmittal to the honourable the House of Commons in Parliament assembled. If the petition is found to be in order, I pray it will be referred to an appropriate committee of the House of Commons.

* * *

THE CONSTITUTION

MEASURE TO PROVIDE FOR AMENDMENT IN CANADA

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-598, to provide for the patriation of the British North America Act and for the amendment in Canada of the Constitution of Canada.

He said: Madam Speaker, in introducing a bill I understand that it is the practice to permit a member some three minutes of explanation of the bill.

This private member's bill is a follow-up to the unanimous acceptance of a motion under Standing Order 43 introduced by me on May 9 on patriating the Canadian Constitution from Britain, and followed up by a suggested address to the Queen on a question of privilege raised by me on May 12, 1980.

For some time now I have argued forcibly that patriation of the existing Canadian Constitution is inevitable. It can be patriated in four different stages in regard to the evolution of a Canadian constitution. The first is that it can be patriated in the very near future—

Some hon. Members: Order.

Mr. Yurko: As I indicated, it is customary to give a member some three minutes—

Mr. Collenette: Thirty seconds.

Mr. Yurko: It can be patriated in the very near future with the unanimity amending formula, as I have proposed. Second, it can be patriated by an act of the British parliament deleting section 7 of the Statute of Westminster, but leaving Canada without an entrenched amending formula until one is found.

Some hon. Members: Order.

Mr. Yurko: Third, it can be patriated by an act of the British parliament with an agreed upon amending formula similar to that detailed in my motion No. 13 on the order paper. Fourth, it can be patriated with a new constitution if one is found in Canada.

● (1620)

I want to place on record that a new Canadian constitution must be drafted by Canadians, for Canadians and passed into law in Canada. It would be inappropriate if Canada, after 50 years of effort, finally agreed on a new constitution, but had to adopt it through an act in another country. Therefore, I am very pleased to request first reading of this bill, which is an act to provide for the patriation of the British North America Act and for the amendment in Canada of the Constitution of Canada.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 12, 27, 139, 141, 274, 331, 411, 666, 667, 798, 823 and 927.

I would ask that the remaining questions be allowed to stand.

[*Text*]

GOVERNMENT EXPENDITURE FOR ELECTRICAL POWER

Question No. 12—**Mr. Cossitt:**

1. In each of the past four years, by province, what was the total amount paid by the government for electrical power?

2. (a) What was the over-all total for all of the provinces in each of the past four years (b) what was the total for all of the provinces for the past four years combined?

Hon. Paul J. Cosgrove (Minister of Public Works): 1 and 2. Public Works Canada does not aggregate records for this type of information by province. Following is a breakdown by regions for the fiscal years 1975-76 through 1978-79 as figures for 79-80 are not yet finalized.

Expenditures for Electricity by Region

($000's)

Region	1975-76	1976-77	1977-78	1978-79	Total
Atlantic	1,465	1,902	2,693	3,451	9,511
Quebec	2,480	2,846	3,300	5,230	13,856
National Capital	7,270	10,004	11,186	11,716	40,176
Ontario	3,715	4,928	5,827	5,383	19,853
Western	2,524	2,998	3,476	4,138	13,136
Pacific	1,349	1,585	1,709	1,928	6,571
Total	$18,803	$24,263	$28,191	$31,846	$103,103

MR. MIKHAIL KHVATOV

Question No. 27—**Mr. Cossitt:**

1. (a) Did RCMP witness Spooner state to the Court at the Peter Worthington trial under the Official Secrets Act that Mikhail Khvatov was a KGB agent involved in certain activities during 1975-76 and, if so, what was the exact period of time that these incidents supposedly occurred (b) on what date did the RCMP become fully aware of Mr. Khvatov's alleged activities?

2. (a) During the week of June 3, 1975, was the security division of the RCMP contacted by the honourable member for Leeds-Grenville concerning Mr. Khvatov and, if so, what was the name of the RCMP official who spoke to the honourable member (b) did the RCMP official request the honourable member to report anything that might be of interest arising from a luncheon meeting with Mr. Khvatov (c) did the honourable member ask that his telephone communication be duly noted in RCMP records for future reference and did the official assure him that it would be (d) did the honourable member ask the RCMP security service if Mr. Khvatov was a *bona fide* diplomat or whether they had any knowledge if his activities included those other than of a diplomatic nature (e) did the RCMP security service assure the honourable member that Mr. Khvatov was definitely a bona fide diplomat to the best of their knowledge and, if so, what are all the reasons for the contradiction between this statement and the one made by witness Spooner in Toronto?

Hon. Bob Kaplan (Solicitor General):

1. (a) RCMP witness Spooner did not state during public sessions of the Worthington trial that Mikhail Khvatov was a KGB agent.

   (b) The RCMP became aware of certain activities on the part of Mr. Khvatov in late 1972.

2. (a) The RCMP do not have any record of Mr. Cossitt contacting the security service of the RCMP in Ottawa concerning Mr. Khvatov during the week of June 3, 1975.

   (b) Although the identity of the member of the RCMP whom Mr. Cossitt would have contacted cannot be established, it would be in keeping with RCMP security service policy to request that Mr. Cossitt report anything of possible interest arising from a meeting with a representative of the Soviet mission.

   (c) As the Ottawa RCMP security service has no record of contact with Mr. Cossitt during the week of June 3, 1975, they cannot comment on these questions.

   (d) and (e) See (c) above.

VIA RAIL CANADA INC., EQUIPMENT

Question No. 139—**Mr. Turner:**

1. How many pieces of serviceable equipment does Via Rail Canada, Inc. own or lease and what is the breakdown, by type (i.e. standard coaches, bar cars, sleeping cars, dayniters, club cars, etc.)?

2. (a) What is the breakdown, by type, of serviceable equipment that is (i) 1 to 5 (ii) 6 to 10 (iii) 11 to 15 (iv) 16 to 20 (v) 21 to 25 (vi) 26 to 30 (vii) over 30 years old (b) how much of this equipment does Via Rail Canada expect will need to be replaced in the next five years?

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

1 and 2(a).

Via Rail Canada Inc.—Inventory 1980

Equipment Type	Serviceable Equipment	Age of Active Equipment (Years) 1-5	6-10	11-15	16-20	21-25	26-30	Over 30	Acquisitions 1980-1984
Turbo	18			18					
Tempo	25			25					
Meal Service	76					15	61		
Sleepers	228						190	38	
Club and Lounge	41						20	21	
Coach	319					28	173	118	LRC Coach 66
Dayniter	53						53		
Railiner	83					44	39		Railiner 20
Baggage	72						65	7	
Miscellaneous	33						14	19	
Subtotal	948			43		87	615	203	
Diesel Locomotives	146					110	34	2	LRC Loco's 22 Conv'l Loco's 12
Steam Generators	87				15	72			
Electric Generators	3					3			
Total	1184			43	15	272	649	205	120

2(b). Via is currently acquiring 21 locomotives and 50 coaches from Bombardier representing an additional 3750 seats. In addition, Via has acquired some surplus self-propelled cars from other railways and is undertaking a complete redesign and rebuilding program with these units to prove out the feasibility of modernizing and redeploying its present self-propelled car fleet. New management controls incorporating the assistance of our new reservation system, RESERVIA, to improve occupancy rates, car, assignment and fleet utilization have also assisted in being able to operate with our present fleet size augmented as required with the new equipment on order and other equipment being rebuilt.

VIA RAIL—TRAIN CREWS

Question No. 141—**Mr. Turner:**

1. Does CN Rail and CP Rail supply train crews to Via Rail Canada for the operation of its trains and, if so, does this include stewards and porters?

2. Does Via Rail Canada pay the railways for these crews and, if so, in what amount?

3. Does Via Rail Canada intend to supply its own crews for the operation of its trains or will it continue to rely on CN and CP?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Via Rail Canada Inc. contracts with CN and CP to staff its trains. The contract price includes the cost of providing operating crews such as conductors, enginemen, trainmen, flagmen and baggage handlers who continue to be CN and CP Rail employees. It does not include employees such as stewards and porters. Employees who provide meal, snack, dining, sleeping, club and lounge services on trains are Via employees.

2. Via pays a negotiated contract price to CN and CP Rail for hauling its trains. One of the elements of railway costs is operating crew wages but such costs are not identified separately to Via. The costs are included in a train operating charge calculated in accordance with costing order No. R-6313.

3. Via has no immediate plans to supply its own operating crews and will continue to rely on CN and CP Rail to provide these for operation of its trains.

NATIONAL FILM BOARD OPERATING ACCOUNT

Question No. 274—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the National Film Board Operating account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Film Board as follows:

Fiscal Year	Amount
1974-75	$ 9,359,663
1975-76	12,254,046
1976-77	10,519,064
1977-78	12,353,076
1978-79	12,334,462
1979-80	10,150,000 (Forecast)

Order Paper Questions

CANADA STUDENT LOANS ACT

Question No. 331—**Mr. Herbert:**

1. Does the government request an accounting from the government of Quebec for moneys provided for student assistance?

2. By province, what amount is outstanding under the Canada Student Loans Act?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of the Secretary of State is concerned: 1. No. Under the Canada Student Loans Act, a province such as Quebec, which elects to operate its own program of loan assistance, is entitled to an alternative payment calculated under a formula set out in the act. The formula is designed to assess the cost to the federal government were it to provide the assistance provided by the province concerned and this amount is paid to the province to help defray the cost of providing its own loan program.

2. Amounts outstanding under the act are not maintained by the federal government by province. Outstanding amounts are recorded by lenders (banks and designated credit unions or other designated lenders) in respect of accounts handled by the lender concerned. However, data on loans authorized by province are maintained by the federal government and are published in the annual report for the Canada Student Loans Program.

AHOP DEFAULTS

Question No. 411—**Mr. Orlikow:**

In each of the past three years, by province, how many persons who purchased homes under AHOP defaulted on their payments or withdrew from the program?

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

Mortgage Insurance Fund Claims Paid[1]
Assisted Home Ownership Program,
by Province, 1977—1979

Province	1977	1978	1979
Newfoundland	14	66	210
Prince Edward Island	1	1	2
Nova Scotia	8	21	60
New Brunswick	13	75	97
Quebec	73	292	522
Ontario	89	547	3,286
Manitoba	1	8	15
Saskatchewan	5	9	23
Alberta	1	2	3
British Columbia	43	471	936
Yukon Territory	—	—	1
Canada	248	1,492	5,155

[1] Includes AHOP unit acquisitions from builders where the units were originally designated as qualifying for AHOP assistance and there were separate mortgages on individual units at the time of acquisition. Data is not readily available to distinguish between AHOP acquisitions from purchasers and AHOP acquisitions from builders.

PRIVY COUNCIL OFFICE—SECURITY AND INTELLIGENCE

Question No. 666—**Mr. Cossitt:**

What are the names of all the persons, other than Mr. T. D. Finn, involved with security and intelligence in the Privy Council office or the Prime Minister's office and, in each case (a) what was the date of their appointment (b) what is their annual salary (c) what are their specific duties (d) what is their employment history with the public service and particularly, what training did they have in security and intelligence previous to assuming their present job?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

Gordon F. Frazer
(a) April, 1957
(b) $31,400—$38,800
(c) Security Policy Adviser
(d) Research with RCMP
Secretariat duties in PCO

John T. Gannon
(a) February, 1977
(b) $24,273—$27,070
(c) Cabinet Document Security Auditor
(d) Canadian Army Intelligence Corps
Public Service—Departmental Security Officer
CIDA; IT&C

Jeremy Godfrey
(a) January, 1979
(b) $20,815—$23,162
(c) Security Adviser
(d) DSS (Security Services, Physical Branch)
Penitentiary Service (Operational Security)
National Museums, Security Services

William J. Hackett
(a) August 1, 1979 (on secondment)
(b) $30,720—$34,500
(c) Administrative Officer
(d) Major, Canadian Armed Forces

Arthur Katona
(a) June 18, 1979 (on secondment)
(b) $19,252—$26,549
(c) Current Intelligence Co-ordinator
(d) External Affairs, Foreign Service Officer

Burton F. Kelso
(a) January 7, 1980 (on secondment)
(b) $40,480—$44,110
(c) Co-ordination of long-term assessments
(d) Department of National Defence
Special Research Bureau, External Affairs
Industrial Policy, Industry, Trade and Commerce
Research Branch, Canadian Transport Commission

P. A. Lemieux
(a) July 5, 1972
(b) $31,400—$38,800
(c) Senior Secretariat Officer
(d) See reply to Question No. 9, *Hansard* No. 18, dated May 7, 1980

J. C. Upton
(a) July 16, 1979 (on secondment)
(b) $37,380—$38,796
(c) Secretary, Intelligence Advisory Committee
(d) Colonel, Canadian Forces Security Branch

Louise Bigras
(a) March 24, 1971
(b) $12,993—$14,141
(c) Secretary and Office Manager
(d) Department of External Affairs
Royal Commission on the Status of Women
Prime Minister's Office

Lesley Hilyer
(a) April, 1978
(b) $11,650—$12,731
(c) Clerk
(d) Joined the Public Service (PCO) in April 1978

Therese M. W. Hobart
(a) November 21, 1977
(b) $12,508—$13,676
(c) Secretary
(d) Secretary, RCMP

Muriel Kauffeldt
(a) March 16, 1960
(b) $16,071—$17,588
(c) Secretary
(d) Department of National Defence

Diana Larkin
(a) September 15, 1978
(b) $12,508—$13,676
(c) Secretary/clerk
(d) National Research Council

Constance Merle McCann
(a) January 4, 1974
(b) $12,508—$13,676
(c) Secretary/clerk
(d) Personnel Pool (DREE, Public Archives, Transport)

Lillian Roy
(a) February 18, 1974
(b) $12,993—$14,141
(c) Security Equipment and Records Clerk
(d) Department of National Defence

Linda Farevaag
(a) November, 1977
(b) $14,678—$16,053
(c) Secretary/clerk
(d) Department of External Affairs

Ross Christensen
(a) May, 1979 (on secondment)
(b) $31,000—$39,000
(c) Resource Management Co-ordinator
(d) Canadian Armed Forces
Treasury Board Secretariat
National Defence

Peter C. Cameron
(a) April 2, 1979 (temporary assignment)
(b) $31,000—$39,000
(c) Researcher
(d) Indian Affairs
Treasury Board Temporary Assignment Pool

All of the above were appointed to their positions in accordance with the competitive requirements of the relevant statutes, taking into account knowledge, education, experience, suitability and other factors.

MR. T. D. FINN

Question No. 667—**Mr. Cossitt:**

Is Mr. T. D. Finn Assistant Secretary to the Cabinet for Security and Intelligence and (a) if so (i) what is his complete employment history in the public service (ii) what are all of his qualifications that led to him receiving the job (b) if not, who is the assistant secretary?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Yes.

(a) (i) Secretariat Officer, Privy Council Office
August, 1971—May, 1974
Director, Consumer Services Branch, Department of Consumer and Corporate Affairs
May, 1974—October, 1976
Director, Policy and Interpretations, Prices and Profits Branch, Anti-Inflation Board
October, 1976—September, 1977
Current appointment taken up September 6, 1977;

(ii) Mr. Finn is a lawyer with experience in both the public and private sector. This experience, together

with his range of government knowledge and experience led to his appointment.

(b) Not applicable.

SCHOOL BUS SAFETY

Question No. 798—**Mr. de Jong:**

1. Is the Department of Transport considering regulations that would force the manufacturers of school buses to improve the safety of such vehicles?

2. Will the installation of seat belts be compulsory on all new school buses?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. To date, Transport Canada has issued 28 school bus safety standards under the Motor Vehicle Safety Act. Included in these standards are four new requirements published in *The Canada Gazette* March 12, 1980, which will significantly improve the protection offered to school bus occupants in an accident. The requirements address seat strength and padding, body joint strength, fuel system integrity and emergency exits; they become effective for vehicles manufactured after September 30, 1980.

2. The installation of seat belts in school buses will not be made compulsory at this time. Such requirements cannot be justified on the basis of Canada accident statistics and could increase the hazards to younger passengers, unless monitors are provided on all school buses to ensure proper use and fitment.

As a practical alternative to seat belts, two of the recently-introduced safety standards entitled "seat strength and padding" and "body joint stength" combine to provide passive protection for all passengers by increasing the degree of encapsulation afforded them in an improved passenger compartment.

MARIJUANA STUDIES

Question No. 823—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): None.

DEPARTMENT OF SUPPLY AND SERVICES TENDERS

Question No. 927—**Mr. Cossitt:**

1. In each of the past five years, how many tenders were called by the Department of Supply and Services on (a) an invitation basis (b) a public advertisement?

2. What is the over-all total in each case for the past five years?

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

1. (a) (i) Headquarters

1975-76: 11,390 1978-79: 11,782
1976-77: 12,349 1979-80: 10,455
1977-78: 12,967

(ii) Regional operations figures are not recorded. However, the following number of contracts were awarded, generally on the basis of an invitation:

1975-76: 223,871 1978-79: 278,810
1976-77: 230,164 1979-80: 259,162
1977-78: 261,414

(b) 1975-76: 1 1977-78: 3 1979-80: 4
1976-77: 2 1978-79: 2

2. (a) (i) 58,943
(ii) 1,253,421

(b) 12

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—IMPOSITION OF METRIC SYSTEM

Hon. Ron Huntington (Capilano) moved:

That this House condemns the government for the approach used to impose the metric system on the people of Canada, for its failure to introduce a Metric Act, and for its imposition of a timetable which ignores the wishes of Canadian consumers and the needs of Canadian export.

Mr. Kempling: Madam Speaker, I understand that discussions have been held between the House leaders and that an agreement has been reached that the lead-off speaker in this debate will have 30 minutes, and that all succeeding speakers will have 20 minutes each. Could we have a House order to formalize that?

Mr. Knowles: I gather that my hon. friend is about to correct himself; the agreement was 15 minutes, not 20.

Mr. Kempling: I am sorry, I was told 20 minutes, but I accept 15 minutes.

Mr. Knowles: The rule is for 20 minutes. The understanding we had, and I took part in those discussions, was that the lead-off speaker for each party would have 30 minutes and that all other speakers would have 15 minutes. Under such conditions we usually agree that no one will ask for any overtime.

Mr. Collenette: Madam Speaker, the agreement was as modified by the hon. member for Winnipeg North Centre, that each lead speaker would have 30 minutes and each subsequent speaker 15 minutes. I might say also that the proportion of

speakers for the official opposition would be the same as that established a few weeks ago on the first opposition day which, I believe was, four, three and one.

Madam Speaker: Is that agreed to by all members in the House?

Some hon. Members: Agreed.

Mr. Huntington: Madam Speaker, I would like to preface my remarks on this motion by saying that as a person with a science background and as a businessman, I carry no personal antagonism to metric per se. I recognize the need for rules and order in the business sections and sectors of the country and in the international marketplace.

My concern is with the approach used by the government to impose metric on the people of Canada. There are four basic points I want to make. First, there has been a lack of honouring the main tenets of the white paper tabled in January, 1970, on metric conversion in Canada. My second point is that it is unwise in metric conversion to make moves that are not in concert with the United States. Third, metric laws should make use of the metric system voluntary, as is the case in the United States. And fourth, the will of the people to make change has always been of prime importance in the parliamentary system. Metric conversion in Canada is being imposed and does not have the will and understanding of the people.

This country in 1871 passed the Metric Weights and Measures Act, which was an act to render permissive the use of the metric system. In 1873 the act was enlarged to the Weights and Measures Act. In January, 1970, a white paper on metric conversion was tabled in the House of Commons. It received the initial support of all parties. In April, 1971, the Weights and Measures Act was updated. I would like to quote one part of it:

> All units of measurement used in Canada shall be determined on the international system of units established by the Government Conference of Weights and Measures.

This act authorized both a systems international metric system and customary Canadian units of measurement for trade. This act also contained a clause prohibiting governor in council amendment of schedule II of that act. To quote from the metric overview board report of February, 1980:

> In essence, this act, which was proclaimed three years later, made SI the standard measurements units for Canada. But Canadian units of measurement were also authorized for use in trade as well as the special land measures for Quebec.

In June, 1971, the Metric Commission was established to advise the minister. In March, 1974, the Prime Minister (Mr. Trudeau) sent a letter to the premiers of the provinces advising that the plan of the Metric Commission had been endorsed by the government and asked the premiers for their assurance that the guideline dates were generally acceptable.

In March, 1975, there was a debate in this House on the motion to approve the guideline dates of the Metric Commission. Then in November, 1976, the omnibus bill, Bill C-23, was tabled in the House of Commons. This bill dealt with details pertaining to the Canadian Wheat Board Act, the Western Grain Stabilization Act, the Prairie Grain Advance Payments Act, the Two-Price Wheat Act, hectare measurement in lieu of acres, Consumer Packaging and Labelling Act, etc.

The metric overview board report points out that one of the provisions in the omnibus act was the repeal of the Weights and Measures Act which, in effect, allowed for metric only. This slipped through the eyes of Parliament. In effect, it meant the abolition of the Canadian Weights and Measures Act and removed from that act the early limitation of power of the governor in council to abolish Canadian units of measure in trade.

It is now obvious that members of Parliament were concerned and caught up in the details of the omnibus bill and missed the important and major play buried in the legislation at that time. All through the white paper of 1970 were warnings and cautions. I speak of the metric conversion white paper which I am holding in my hand. There were warnings and cautions that those planning metric conversion would have to be aware of the importance of the public understanding the reasons for metric conversion in Canada. I would refer hon. members to paragraphs 3.1(III), 3.2, 3.3, 5.2 and 4.8.3, which carried these warnings throughout this report.

In 1977 the other place issued warnings in its hearings, which were again ignored, concerning metric conversion in Canada. It is my opinion that the government, the Metric Commission and its officials failed to accept the wisdom of the white paper's concerns and warnings. They even failed to accept the warnings and admonitions of the present Minister of Industry, Trade and Commerce (Mr. Gray) who spoke in the debate in March, 1975. I trust that one of my colleagues speaking later to this motion will be good enough to cover some of the points made by the present Minister of Industry, Trade and Commerce in that debate. They got themselves entrenched in planning, in engineering, in kiosks, in details and with legislative intrigue and, in this process, forgot about the Canadian people, the need to have the people understand the "why" of metric conversion in Canada and the importance of people accepting the change.

● (1630)

As I stand to speak in this debate a decade later, there is no "why" for metric conversion in Canada. The case put forth in the white paper has not withstood the test of time. We have had the right to use metric in Canada since 1871. Am I the only person in this House who finds the patchwork, piece by piece, step by step use of this Parliament to impose the SI system of hard metric conversion on the people of Canada rather strange and frightening?

The failure of the Metric Commission to heed all aspects of the white paper became evident when a large number of Canadians expressed their deep antagonism and resentment about metric conversion to the candidates competing for office in the 1979 election.

As we came out of the 1979 election we had a situation where the imposition of metric conversion on the people by the

Liberal government, through the heavy-handed actions of its commission and federal inspectors, was a direct affront to the majority of the people and to the parliamentary system.

The whole approach of the Metric Commission and the Liberal government has turned out to be one of planning the imposition of metric on the people through the use of indirect authority, indirect amendment to key legislation, interdepartmental intrigues, removal of legislative safeguards—all in the spirit of well organized stealth and contempt for the people and their Parliament.

Some hon. Members: Hear, hear!

Mr. Huntington: As we enter the constitutional debate on the centralization of powers, let us be aware of the hazards to our freedom by centralizing powers into commissions, tribunals and the bureaucracy, as against increasing the power of Parliament by improving its institutions and structures. The latter will allow for reactions from the people and will preserve freedoms through the continuous process of change while the former will surely lead us into a form of democratic dictatorship. It should anger us all when bureaucrats who are supposed to be apolitical professionals in their service to the Crown engage in political partisanship through official government communications.

I should like to draw your attention, Mr. Speaker, and the attention of my colleagues, to a memorandum regarding the main estimates, 1980-81, from the Metric Commission of Canada to the minister which reads, in part, as follows:

> The completion of the final or implementation phase has been delayed by the decision of the former cabinet to postpone the conversion of scales in the retail food sector.

The memorandum continues in another paragraph as follows:

> Previous favourable public response to the Metric Commission's information and awareness activities recently has been damaged by the actions of the previous government, and considerable remedial work is required. Gallup poll surveys in 1973 and 1977 and a July 15, 1978, *Weekend Magazine* poll reflected the growing favourable trend towards SI. Latent negative reactions to the changeover, brought out and exacerbated by the previous government's actions and statements, show up in a November 1979 Gallup poll—

That is misleading in the extreme, Mr. Speaker, because the downward trend in popularity of metric had taken place over a period of four years, if you look at unbiased polls and surveys.

Another comment in this memorandum to which I take exception is the misleading information it gives the minister when it states as follows:

> —now published will have been implemented as this country joins the rest of the world in converting to the full use of the international system of units (SI).

Singapore and Australia use SI units and there might be one other country. We are rushing to join the whole world? I suggest there is a bias in the Metric Commission that is extremely dangerous to the parliamentary process.

Let me return to the matter of trade, Mr. Speaker. If we consult the white paper on metric conversion in Canada, one of the main reasons it gives to justify metric conversion is trade. It tells us that we have to join 110 countries that are using metric. Paragraph 4.2.1. of the white paper reads as follows:

> The marked trend to the metric system outside North America, and the increasing importance to Canada of export markets, especially for manufactured goods, make it urgently necessary to consider the matter of conversion. The question is a complex one because the United States, which is Canada's main export market, has not made a decision to convert.

Paragraph 4.6.1. reads as follows:

> Important benefits of conversion are to be found in ability to maintain and expand Canadian trade with nations in the metric sphere. Because of the vital importance of foreign trade to Canada, especially the need for growth in exports of manufactured goods, there must be serious concern about damage to Canada's competitiveness in world markets as a result of the pace of changeover to the metric system in the world at large.

I could go on, as there are several other sections which refer to trade. One decade later we find that only 4.8 per cent of our trade is with metric countries—Australia and Singapore—who have converted to the SI system. But that is not where our export trade is. We buy from them. The major western trading countries, the United Kingdom, the United States of America and Canada, still trade in standard measure. It should be pointed out that 75 per cent of Canada's trade is with the United States.

For Canada to rush into hard SI metric ahead of our major export markets is, in my opinion, just economic suicide. Certain sectors have changed voluntarily to metric and have been encouraged to do so. General Motors has sought international standards and it is in their interest to do so. Nobody argues with that. There is no problem in the pre-packaged area of consumer merchandise, except where hard metric, on top of bilingual labelling, becomes a non-trade tariff barrier to protect monopoly interests. There are interests in Canada that have been counting on this.

The white paper also says:

> It would be wise to allow the timing and process of conversion to be closely related to the development of United States practice.

Paragraph 4.5.2. of the white paper states:

> Where export to widely dispersed foreign markets is important, as in certain forest industries, the urge is strong to seek maximum international standardization.

They must have been thinking of the pulp and paper sector of that great industry because the approach imposed has escalated costs in the balance of the industry.

Sector conversion was to be voluntary. The white paper emphasized that and the Metric Commission reports and all their propaganda emphasize that it is voluntary. Yet through the calculated impression given by the Prime Minister's letter to the premiers in 1974, the province of British Columbia changed all forestry measures to metric without consulting the forest industries. We now have even the province of British Columbia backing off metric.

I should like to quote from a report by the government of British Columbia on March 11 to a meeting of the intergovernmental metric conversion committee, which says on page 3:

> I do not wish to belabour the point, but our Interministerial Metric Conversion Committee has unanimously expressed grave concern to the Metric Commission that the failure to properly inform the public will result in unnecessary

future delays, public resentment and hostility. This matter was also the subject of discussion in the legislature of the province of British Columbia.

On page 4 it states:

There is a vast difference between the public being made vaguely aware that something is happening, and being positively informed of what is taking place, the reason for it and how it will affect them.

● (1640)

That is the dilemma in Canada. It goes on to say:

I suggest it is a rare individual in Canada who is not aware that we are converting to metric. However, the public have not been informed what that system is and the reason for the change.

The failure to inform the public, interpreted by many as intentional bureaucratic withholding of information, has caused serious apprehension and resentment which eventually led to the establishment of the overview committee. Rumblings of discontent by retailers, consumers and the general public have already surfaced. They could well develop into groundswell or even tidal waves of resistance if preventive measures are not taken.

That is what we were involved in when we ordered the overview board to make a report on the condition and the efficiency of metric conversion in Canada.

Except for the pulp and paper sector of the forest industry where definition of weights and measures is of little importance, we find that there is some $2.5 billion of forest products sold to world markets all in standard measure. Germany wants plywood in standard measure, such as 4 x 8 sheets. The United States uses standard measure. Sixty-five per cent of our lumber market in British Columbia is with the United States. The new Russian plywood mill has 4 x 8 sheets. Yet in the face of such trade facts we have the government trying to force the forest industry to go hard SI metric.

The type of pressure being applied is centralized federal power at its best—perhaps I should say at its worst, I stand corrected. No wonder the frontier provinces are concerned. In 1978 Central Mortgage and Housing Corporation refused to consider mortgage assistance unless plans were drawn in metric measure. Some time this year we will be looking at a new national building code entirely in metric, regardless of the fact that there is almost no hard metric dimension lumber or plywood in the country. Forty-two per cent of the construction dollar is a government dollar. Plans and bids have to be metric to win these bids. What does the winning bidder do? He makes his bid and submits his drawings in hard metric. He then converts his drawings to Canadian standard measure so that whatever is being built can be built within acceptable cost limits. The same happens with Canada Mortgage and Housing Corporation mortgages for houses. The metric overview board recommended that the forest industry should remain in standard measure in Canada until, or if, an agreement with the United States is made. To change to another form of measure is insane. I suggest that that sector, as others with similar problems, be allowed to remain in soft metric measure.

I understand that the HUDAC group are lobbying members today and have recommended that the process of metric conversion be continued and that a clear and concise statement from the federal government be made setting forth the government's full support of the metric conversion program without introducing legislation. I completely disagree with their stance because it ignores the will and the expression of consumers in Canada and the majority of the people of Canada.

Some hon. Members: Hear, hear!

An hon. Member: Talk to the builders and the insurance companies about it.

Mr. Huntington: A unilateral move by Canada will create two inventories, two sets of plans and unnecessary costs that can only weaken the economic strength of the country. All of this turmoil in the forest industry has occurred in spite of the warnings carried in the white paper. The white paper made it very clear that we must consider the progress of conversion in the United States, and that we should be in concert with that progress.

Paragraph 4.5.4 says that we should not attempt conversion independently of the United States. Paragraph 4.6.5 says that timing and process is to be closely related to the development of United States practice. Other warnings were carried in paragraphs 4.6.7, 4.6.8 and 4.8.2.

In 1975 the United States passed their metric act. At least the U.S. system works, and when the United States does something it is put up to their elected representatives for a debate. Heavy emphasis on that act was on voluntary compliance. The United States is still a democracy reflecting and respecting the people's concern. The spirit of the U.S. metric act is that its federal government is ready and willing to assist voluntary moves.

There is a great difference between the Canadian voluntary program and the voluntary program of the United States. The Canadian government has played with the word and with the legislation. Under the Canadian voluntary program we have been orchestrated. The development of sector plans has been by the government. People have been talked into it. We have had paid sector officials who repeated and repeated the fact that metric was now law.

Grass roots consumer organizations, such as the Consumers' Association of Canada, in my opinion, have been co-opted. Could it be that the $450,000 a year which it gets from the Department of Consumer and Corporate Affairs has had an effect? That organization was a grass roots organization that really created the Department of Consumer and Corporate Affairs out of grass roots consumer concerns. Yet where has its voice been when the dairy industry of Ontario and of other provinces converted to metric, and milk and dairy products have cost the consumer 12 per cent more as a result of the conversion?

An hon. Member: Nary a word from them.

Mr. Huntington: On the other hand, in the United States there is a metric board and a metric act. The metric commission in the United States is supported by the private sector. It has no powers other than to assist where the change is desired. The voluntary initiatives have been in areas where it does not affect the consumer. In my opinion, it is foolish to force metric

ahead of its time. The evolutionary process will take care of that.

Some hon. Members: Hear, hear!

Mr. Huntington: In Canada, pressure has been exerted. Small business has had to follow big business. There has been no consensus in major sectors that have been involved in the Canadian brand of voluntary conversion. We found that out in the meat packing industry after we were in office for a short time, and we found it also in the retail sector of the food industry. There was no consensus in those voluntary sectors.

An hon. Member: And no consultation.

Mr. Huntington: There was leverage, use of regulation, use of inspectors and back room deals. The government has played games with governor in council powers, with legislation, with the provinces and with Parliament. The government has seen fit to impose system international metric on the people without a sustainable reason for it.

Canadian conversion is nine to 15, maybe even 20 years ahead of the United States. The Liberal government, with its fetish for secrecy, has not even published the metric overview board's report which is a valuable overview on the whole area of public concern.

Freedom of information is a serious issue as we watch the Liberals try to centralize more and more power into the bureaucracies and its tribunals and commissions. I have always thought that limited government was a cornerstone of Liberal-Conservative political principle. That is not the case here.

● (1650)

As an aside, the hard-working members of the metric overview board have not yet been paid for the valuable work they have performed. That is a twist that is below the normal sense of decency and fair play expected of professional, apolitical civil servants.

I urge the government to table or publish the metric overview board report. It is a valuable document for the metric debate. All that is published is this *Metric Monitor* which is a biased, one-sided view of the debate. It is straight propaganda done with the people's money. In the metric overview board report you have the other side of the coin. This matter can be opened up and perhaps understood in a more equitable, fair-share way.

The democratic way would be to have a metric act fully debated in the House of Commons so that all the pieces are together in one place in one play and all concerned could make input to the process. The debate we are in today is the manipulation, by stealth, of legislation and regulation to make the standard measurement system illegal in Canada.

What has happened in Canada and Great Britain is that too much power has been gained by the bureaucracy and the academic elite. Our challenge is to strengthen the parliamentary institutions so that the skills and knowledge of the academic elite can be used and enhanced, but with the ultimate power and control remaining with the collective expression of the people.

If we allow the government and its bureaucracy to deny the expression and will of the people due process, then we in this House have pulled the curtain down on the parliamentary process and we in Canada are dangerously close to another form of government. The insensitivity and arrogance of those responsible for metric conversion in Canada attacks the heart of our system.

Some hon. Members: Hear, hear!

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, on my way to the House this afternoon, realizing that this opposition day dealt with the metric system, I looked down at my feet while walking through the tunnel and thought how history had been cheated. Had that king some x number of hundreds of years ago who sat on the throne of Great Britain huge feet like mine, three of them would have made exactly one metre and we would not have this argument this afternoon. However, such was not the case and today we have a very real concern in this country over the change from one system to another.

A number of questions and concerns have been put to me. When I first came here, one of the first things I did was list what I heard during the campaign. I was never sure how many were legitimate questions, how many were myths and how many were straight propaganda. I had a little study carried out on these questions. The questions I asked were: How did we get the metric system introduced in Canada? Was it done democratically?

In the minds of the population there seem to be a lot of metric systems utilized around the world. That is the impression you get when you read the pro and con letters to the editor in the small weeklies in my area. Are there in fact several types of metric? If so, which kind are we going to adopt for ourselves?

Of what use is the system? We are told that our trading partners mostly use the imperial system. Is that true? Who benefits from changing to metric? Who pays? Are these legitimate concerns or are they myths in the minds of the population?

I had a study carried out; I am not sure how objective it is. The questions were answered by the staff of the Parliamentary Library who tested out the legal basis and so on. I will review some of the answers that were found.

The legal basis for our system is the Weights and Measures Act passed in April, 1971. It became law on August 1 of that year. It allows the use of the metric system in commerce and trade in Canada. In review, a white paper on metric conversion was tabled by the government in January of 1970. The leaders of all parties in the House gave their support to the policy as outlined in the white paper.

Subsequently in June, 1971, the government established the Metric Commission by order in council and in 1974 approved

the national program of guideline dates for metric conversion, consisting of four distinct phases. Phase one, investigation of the system, was to be completed by 1974. Phase two, the planning stage, was to be completed by 1975. Phase three, which dealt with scheduling, was to have been completed in 1976. Phase four, implementation, was to begin in 1975.

In March, 1975, the Hon. Alastair Gillespie, then minister of industry, trade and commerce, introduced a resolution to the House of Commons to approve the government's program of guideline dates for metric conversion. The resolution was referred to the Standing Committee on Finance, Trade and Economic Affairs which examined and endorsed the program, and recommended that further legislation to facilitate metric conversion be enacted; as well, the ministers responsible for metric conversion in each of the provinces unanimously endorsed it in 1976. I was a little surprised to find these facts recorded in light of some of the comments made since.

The government announced its intention to introduce a series of four omnibus bills to modify the approximately 90 existing laws governing weights and measures and to allow for conversion to metric. The first of these bills, the statute law, the Metric Conversion Amendment Act, was introduced in the House of Commons on November 22, 1976. The act included amendments to several existing pieces of legislation including the Weights and Measures Act, the act of 1971. That act had previously stipulated that the governor in council could not amend schedule II to the act so as to prevent the use of customary Canadian units of measurement in trade. The amendments, however, removed that prohibition. Moreover, the amendments gave the governor in council power to make regulations setting a date beyond which any units of measurement set out in schedule II could not be used in trade. In effect, this allowed the phasing out of the use of Canadian units, as established in schedule II of the act, in favour of the metric units in schedule I for use in trade. That, briefly, is how we got into the situation we are now in.

Pursuant to the act, orders in council were passed relating to the use of metric units in the retailing of gasoline and diesel fuel, individually measured food and scale conversion, and home furnishings. Subsequently, an order in council removed the requirement that metric units of measurement be used in the retailing of individually measured food and that retail scales for such foods use metric units. Again, that occurred on January 18, 1980.

● (1700)

The system that we are moving toward is the system of international units, symbolized by SI, the system often referred to simply as the metric system. There seems to be a great deal of confusion about SI and whether there are any other metric systems. Perhaps the main source of confusion may be in the fact that different countries at different points in time have chosen to define their measurements in relation to different base units. Thus we have systems such as the so-called CGS system—which stands for centimetre, gram and second—and in other countries we have the so-called MKS system, which stands for metre, kilogram and second. Both systems have existed for a long time. These systems are different only in that base units and their legal definitions vary. One system may be based on the gram, another system based on the kilogram. Basically the metre in either country will be the same length, the gram will be the same weight. So they differ only in legal definition; the size of the units are integral, the same from country to country.

It has been necessary to review SI from time to time to add, replace or redefine certain measurements in order to keep up with technological and scientific requirements. This does not usually have any effect on trade or commerce. It is simply a way of more clearly defining the length of the metre for scientific purposes. For instance, to begin with the metre was considered—improperly, as it turned out—to be one ten-millionth of the distance from the North Pole to the Equator on the meridian that goes through Paris, France. Advanced measuring techniques later showed that this was not quite correct. The current definition of a metre—and I think this is the latest definition—is that it is 1,650,763.73 wavelengths of orange-red light radiated by the isotope krypton-86 as measured in a vacuum. Even that very lengthy definition may have to be redesigned as more precise terms are available, now that we have laser technology. In any event, while the metre has had several different definitions it has remained the same size throughout the world regardless of the legal definition.

How international is the system? Forty-five countries, including Canada, have signed the Treaty of the Metre of 1875 which requires that they express their units of measurement in terms of SI units and support financially the International Bureau of Weights and Measures at Sèvres, France. These member countries also form the General Conference on Weights and Measures which oversees the advancement of SI. In addition many countries have converted or are in the process of converting to the use of SI measurements. Indeed, of the 154 countries recognized by the United Nations, 152 use some or all of the SI system in measurement, with only North and South Yemen remaining totally outside the use of SI measurement. The SI units adopted by Canada will be the same as those used in all other countries which have accepted these SI definitions as set out by the General Conference.

Who benefits from metric conversion? Well, as a general statement of principle I think one could say that the large international manufacturers benefit first from international conversion. To present proof I simply turn to the case of General Motors, one of the largest international corporations. In 1960 General Motors estimated the cost of conversion at about $1 billion. In 1973 this estimate was revised to approximately 11 per cent of that amount and the decision was made to proceed with metrication within General Motors. That was without legal coercion; it was a decision made at their head office in the United States. In 1979 they found that the actual cost of going metric in all divisions appeared to be less than 1 per cent of their original 1960 estimate. Instead of $1 billion it was to cost 1 per cent of that, about $10 million.

Metric System

In the six years during which General Motors has been converted to metric they have found that the cost avoidance, or savings, have overshadowed the cost of conversion by a factor of ten or 15 to one, so that instead of costing them money it was making them money. General Motors' metric plan goes like this: first, new development would be metric from the start. This would include items in the current development stage. This was the plan in 1973. Second, service parts and in-production parts would be left alone. Third, supplier co-ordination would be implemented; that is to say, suppliers would be worked into the metric system as well. Fourth, their capital equipment would be purchased with dual measuring capability where applicable. The result is that today 27 passenger car series in the General Motors line of domestically made automobiles are predominantly metric. Only seven remaining series have not been fully redesigned since the initiation of the metric policy in 1973, and it is anticipated that these, too, will be metric by the early 1980s.

It should be noted that General Motors' primary purpose in adopting this metric policy was to enable it to design, manufacture and market similar or identical products or components all over the world. This is a point which has not been lost on my local constituents. They realize that companies like General Motors get advantages from going metric. They realize that General Motors would have probably gone metric whether Canada did or did not. Their objection is on the grounds that a great many aspects of our commerce and our economy in this country and certainly in a lot of the smaller towns and villages offer really no incentive to switch to metric. The consumers are used to the old system, they have measuring equipment geared to handle the old system and to them the new system appears only to be a cost with no benefits. We have a whole generation of people who could be considered to be a non-metric generation.

Our school system and our educational institutions are busily turning out a new generation that were trained to conceptualize things in metric terms. My children, for instance, do not really conceive of inches, or even pounds. They speak in centimetres and metres. When I do little chores with them, help them build a playhouse or something, the length of the piece of wood I hand them, or ask them to saw, has to be converted so that I may tell them it is so many centimetres or so many metres long. This forces people in my generation to become familiar with the metric system.

My automobile has dual systems on the speedometer. I have used this to great effect in learning how many kilometres there are in so many miles. I now have more or less a grasp of how far 60 kilometres is, or how far 100 kilometres is. It is starting to mean something to me. But I know there are a great many more people in my communities who were not brought up to worry about the metric system.

● (1710)

To put it dramatically, one fellow presenting a petition to me said that just with this move to metric the government has made his whole education and his whole lifetime of experience obsolete. His whole method of conceptualizing things has been made totally out of date, and he has been left almost in an alien society. I am not talking about western alienation, Quebec separatism or anything like that, but about a whole generation or generation and a half of our citizens who are being alienated through our attempt to move our retail trade at the local level too quickly toward metric. I think we should take a second look at that and slow it down a little bit, because we are asking a great deal of these people when we ask them to throw 50 or 60 years of their experience in the trash bin, so to speak.

We have asked farmers to make a sort of double switch by going from bushels to the tonne, because by taking that step we have gone through two forms of conceptualization. We must remember that the bushel was essentially and is essentially, if it still exists anywhere, a measure of volume. A bushel of wheat weighs 60 pounds. A bushel of oats weighs 34 pounds. When we measure things in tonnes, the old measurements do not work any more.

We have to apply varying numbers to the kinds of grain that we put into granaries which once held 1,000 bushels. We have gone from a volume system to a weight system, and then we have not used the kind of weight system with which we were familiar. We were familiar with pounds or tons, but we have moved to kilograms and tonnes. It has been a double shift, and it has been very hard for many farm people to catch up.

To be honest, it has created some problems for the grain trade. How can we measure the capacity of an elevator system which was laid out in bushels and cubic measurements when now we have to use tonnes? We knew the bushel capacity available in an elevator which might have held 100,000 bushels. Now that capacity varies depending on the kind of grain that goes into it. It will hold 6,000 tonnes of wheat but only 3,400 tonnes of oats. There are seven or eight kinds of grains that you could put in between with weights that vary. There are very sophisticated statistical methods for bodies like the Canadian Wheat Board or the Canadian Grains Commission by which they can plug in their computers and get a more or less accurate assessment of how much space there will be at any of the delivery points, given the kinds of delivery patterns that have existed.

However, it is still not the same as knowing how much volume there is out there. If the delivery patterns of farmers change from oats to wheat, for instance, the capacity is reduced almost by one-half without the computer or the managers of the Canadian Wheat Board even knowing about it. So it has created new ways of having to deal with old problems.

I think we ended up holding on to the acre as the basic unit of measurement in western Canada, simply because our land was already surveyed in discrete amounts. There is one mile between lines. This creates a certain number of acres, 640 to the square mile. True, we can make estimations. We can say 800 metres is approximately half a mile and 800 metres squared gives us about 64 hectares, which is only one hectare short of a full quarter section. It is close enough for figuring,

but it is still stupid to go into the land titles offices and change all the titles just to fit into the metric system of measurement. Since my time is almost expired, Mr. Speaker, I would like just to reiterate that we in rural Canada can see that large scale corporations do not have any disincentive to switch to metric. We can see the large scale food industries switching to metric because to them there is no real cost. Their equipment handles a large enough volume of weighing and measuring that it wears out occasionally, and they can use that five-year or six-year changeover to put in metric scales at really no cost to them. But we have little businesses, even some fair-sized ones like the Wynyard Co-op, which estimates it is going to cost $25,000 just to switch over to weighing and metering under a metric system if it becomes something that it must do.

We understand that some of this will happen whether the law changes or not. We realize that General Motors will be producing metric cars, but we cannot see why small retailers have to switch to the system cold turkey, if you like, leaving the old imperial measurement system completely in the background. We think those scales have been working. We think their traditional customers have been used to using those weights and measurements, and we think this should at least be allowed to go on in concert with the new changes.

I make one last plea. Let us reconsider that generation of people who feel completely alienated by the change. They have their rights, they are part of this country, they have made their contribution and I think they should be considered in the next few years. Let us slow down the change and be more humanistic.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Mr. Speaker, in answer to the hon. member for Capilano (Mr. Huntington), I would like to make a few comments on existing acts pertaining to the metric system, and the way Canada has been approaching metrication since the white paper was brought forward in 1970.

But before coming to specific remarks, I would like to remind the hon. member for Capilano that I took a good note of the memorandum he referred to, and indicate to him my undertaking to study it. Because on the principle he stated, that it was at least strange that government advisers took it upon themselves to criticize openly a decision taken by a government elected by the people, I would like to tell him I took good note of his remarks and I will try to get more details on the subject.

However, and this also concerns the speech made by the hon. member for Capilano, I would like to stress how much I was shocked when he referred to payments due the two members of the overview board. At least ten days ago, Mr. Speaker, the hon. member sat next to me here in this House, as is normally done between civilized people, to ask me to try to expedite within my department the last two payments due the two members of the metric overview board. This happened ten days ago. Unfortunately, I had to stay away from the House for a week, and when I returned yesterday, I already had from officials in the department I am representing an answer indicating the procedure to expedite these last two payments. And not later than noontime today, an official of my staff phoned the office of the hon. member for Capilano to inform him I was now in a position to expedite the last payments, as I intended to do within the next few days. I think mentioning those details in his speech while implying the government wanted by that to show its disagreement with the report of the metric overview board was not at all fair play. With respect to the release of the report of the metric overview board, the hon. member for Capilano should understand—and I also mentioned to him at the time I personally looked at that report for the first time on April 18, 1978, and as this is a 375-page report—that there must be delays due not only to the consideration of the report but also due to the translation of such a big document.

Mr. Speaker, I found it indeed very interesting to hear the comments of the hon. member for Humboldt-Lake Centre (Mr. Althouse) who explained, without bombast, contrary to what his predecessor did, basing himself on examples drawn from everyday life experience in his area, that metrication or the conversion from the imperial system to the international system was obviously causing certain problems with a certain category of Canadians whom he called very rightly "the non-metric generation." I agree with the hon. member for Humboldt-Lake Centre that above all must be consideration for those people; the system I think is necessary, as indeed the leaders of the three parties recognized in this House in 1970 when the white paper was tabled. Even if the system is necessary in the short, medium and long terms, it is quite obvious that we must not above all metricate to metricate but rather take into consideration in the first place the interests of the users, the consumers and the industries affected by the changes that result from metrication.

Mr. Speaker, the motion before us implies that the Canadian economy needs other legislation on the metric system. I want, for my part, to remind the House that of the 88 sectors that released sector plans, only three, namely the sale of gasoline by the litre, furniture and balances in the retail food business, are regulated under the 1971 Weights and Measures Act which was later amended, as was mentioned, by the 1976-77 act.

Only in those three cases, Mr. Speaker, did the industries concerned ask, with the support of the Consumers' Association of Canada, for pertinent regulations throught the Department of Consumer and Corporate Affairs. I would like, at this point, Mr. Speaker, to make a brief remark on the Consumers' Association of Canada because I was most surprised to hear the hon. member for Capilano mention or suggest that this association, which has so vigorously and competently defended the interests of Canadian consumers, may have been prevented from expressing honestly its views because of possible grants it

may have received. I am taken aback by this judgment on the Consumers' Association of Canada. As I already mentioned, some sectors are also under provincial jurisdiction and some fertilizers and pesticides are subject to the Fertilizers Act and the Pest Control Products Act of the federal government. Most of the other approximately 80 sectors convert without legislation in accordance with the guidelines, standards and target dates prepared by over 2,000 voluntary workers from all sectors of the Canadian economy, including unions, consumers and teachers.

A brief comment on some economic sectors might help to illustrate, Mr. Speaker, how the Canadian economy as a whole is adapting to metric conversion without requiring any legislation. Let us take for instance the manufacturers of motor vehicles and parts, which include the companies which manufacture or assemble motor vehicles, such as automobiles, commercial vehicles, buses and trucks. This sector also includes the manufacturers of motor vehicle parts and accessories such as motors, brakes, clutches, axles, gears, and so on.

Metric conversion for private vehicle manufacturers was implemented at the same time in Canada and the United States. The metric contents of 1980 models manufactured by the different companies vary from 90 per cent for General Motors, to 48 per cent for Ford and 34 per cent for Chyrsler. General Motors has publicly stated that it intends to complete conversion of its operations by 1982.

The hon. member for Humboldt-Lake Centre (Mr. Althouse) may be right in saying that, in any case, these companies would probably have converted to the metric system with or without a metric conversion program, but it is important to note that this major sector of the economy undertook this process on a voluntary basis such as recommended in the white paper of 1970. Private vehicles and parts manufacturers are expected to complete their conversion program in December, 1982, according to the target date and to the metric conversion plan published in 1976. Truck manufacturers should have completed their metric conversion program by 1990.

● (1720)

[*English*]

Another sector which we could study for a little while would be forestry. Most research establishments in the forest industry are now operating completely in metric units. All forest inventories are now being carried out in metric measurements. As of January 1, 1979, metric scaling was used in British Columbia and Alberta and is expected to come into force in Ontario as of April 1, 1981. The national standard for scaling roundwood is now being used to some degree by most provinces. Training programs for woods personnel are under way across the country. The forestry sector has now completed 98 per cent of the activities in its plan and is expected to be essentially metric by mid-1980.

Another sector which would be of interest to members is the petroleum and natural gas industries and services. Metric conversion in the oil and gas industries is another example of a conversion which has proceeded relatively smoothly. This has been brought about by the leadership exhibited by the Canadian Petroleum Association. The association, realizing the necessity to formulate a well-thought-out plan for the industry, established a committee in 1972 with the responsibility of bringing about an orderly transition to the metric system on a least cost basis. This sector committee is truly representative of the industry, with representatives from all phases of the petroleum production field. Operations have been essentially in metric since January, 1979.

Before leaving these remarks on sectors, I would like to touch briefly on the plastics industry. At present, a substantial number of plastics manufacturers are marketing their products in metric units. Further progress towards metric conversion is expected as more companies are identifying their products in metric terms in response to market demands. Blow moulders of plastic containers experience no difficulties in meeting market demands for plastic metric containers. Metric production is also on the way in the reinforced plastic composites, injection moulding, machinery and mould-maker areas of the industry, in response to market demands. The ultimate objective is international standardization. Conversion is to be compatible with related domestic and worldwide industries and achieved at minimal cost. The plastics industry as a whole is expected to operate predominantly in metric by July, 1983.

● (1730)

The motion before us also suggests that it is the government which has somehow managed to impose the metric system on the people of Canada. The motion suggests that this House of Commons has somehow avoided the metric system, while the government has somehow failed to consult the representatives of the people.

Some hon. Members: Hear, hear!

Mr. Lapointe (Charlevoix): The facts do not support this view. As the hon. member for Capilano (Mr. Huntington) pointed out, the metric system was made legal in Canada by the Metric Weights and Measures Act of 1871.

On January 16, 1970, the white paper on metric conversion in Canada was tabled in the House of Commons by the hon. minister of industry, trade and commerce and supported by all party leaders in the House. The policy conclusion stated in the white paper was that metric conversion was inevitable and in the national interest.

Some hon. Members: Oh, oh!

Mr. Lapointe (Charlevoix): If hon. members opposite are not happy with those comments, I should like to indicate that those are the comments made by the hon. member for Capilano when he said what happened in the House concerning the metric system. If they are not happy, they do not have to listen; they can work on something else.

On April 7, 1971, the Weights and Measures Act was amended and recognized the "système international" as the

legal metric system for use in Canada. The "système international" is the latest evolution of the metric system and has been in use for close to 100 years. On June 10, 1971, the Consumer Packaging and Labelling Act made a metric contents declaration mandatory for all pre-packaged goods. A program of guideline dates for metric conversion was approved by the government and debated by the House of Commons of March 17, 1975. The Standing Committee on Finance, Trade and Economic Affairs studied this matter at length and reported back to the House of Commons on December 17, 1976, with a recommendation that the House consider the advisability of adopting this program and also introduce additional legislation to facilitate metric conversion.

Subsequently Bill C-23, which became the Statute Law (Metric Conversion) Amendment Act of 1976, was debated in the House of Commons and the Standing Committee on Finance, Trade and Economic Affairs over a period of almost ten months. Exchanges took place on the floor of the House of Commons and in the Senate 16 times. It was passed by the House of Commons on July 15, 1977, and received royal assent on August 5, 1977. In view of these debates and discussions over the years, one can only conclude that the motion as presented is not based on the facts.

Now I should like to deal with the Canadian approach to metric conversion. To perform its task, Metric Commission Canada established 12 steering committees, each responsible for co-ordinating a group of economic sectors that have related interests. For example, steering committee No. 5 groups the following sectors: construction, non-metallic mineral products, structural and architectural metals, engineers, real estate, land surveyors and town planners. Canadians working in all types of organizations sit on the various steering committees representing the Canadian people and co-ordinating the conversion activities of all sectors of Canadian society. The commission established 100 sector committees which report to the steering committees. Each is responsible for a particular industry, group of industries or interests. These sector committees are preparing the basic plans for converting the sector for which they are responsible. They are doing this in collaboration with the individual firms and individual associations.

The ongoing task of the steering committees and their sector committees is to monitor the progress of conversion and suggest any necessary modifications to the plans in order to meet changing conditions. These sector plans are guides for the individual firms and organizations concerned. While there is no obligation on any firm to conform to them, they represent the best judgment of the industry on how to go about the process of conversion. Since individual firms and public service organizations are the entities that are implementing metric conversion, it is clear they have a major role to play in the national conversion process.

An hon. Member: Why convert?

Mr. Lapointe (Charlevoix): The hon. member should read the white paper published in 1971 which was approved by his party.

Some hon. Members: Oh, oh!

Mr. Lapointe (Charlevoix): The basis of the Canadian approach to metric conversion is that it is a voluntary process, each firm and organization being guided by its appreciation of its own short and long-term interests. As I indicated in my opening remarks, some regulations had to be passed by the House concerning three sectors, gasoline sale per litre, scaling in the retail trade and also some furniture articles. As I said, the basis of the Canadian approach is that of a voluntary process. A corollary of this approach is that each unit of the economy is expected to identify the opportunities for change and to bear its own costs, just as it will reap the benefits arising from the change.

There are obvious advantages to both Canada and the United States in programs for metric conversion that are reasonably co-ordinated. The United States Congress approved legislation providing for voluntary metric conversion. At the same time, industry in the United States is moving on a broad front to implement conversion programs. In the meantime, Canadian and American sector committees are stimulating, supporting and assisting all efforts to press forward with preparations for metric conversion. In the investigation phase in each industry or occupation, research is necessary to define the most appropriate metric units to be used, the metric standards to be employed, and the range of sizes or quantities to be used in metric production. In the planning phase the sequence of events and the time needed for this conversion process in each sector is determined and these tentative estimates are co-ordinated with the estimates of the requirements of suppliers and customers. In the scheduling phase a time table is developed for each industry and field of endeavour so that it can be co-ordinated with all other sectors within the over-all target date. The implementation phase is the final stage where each sector and individual organization implements the plans laid according to the schedule defined in the previous phase.

As was also mentioned, the government has consulted all the provinces as to how they wish to implement conversion in their areas of jurisdiction.

● (1740)

These include notably education, highway design and regulation and land title registration, besides many other important areas. Interdepartmental committees are established to plan and co-ordinate conversion work carried out in the different departments.

The metric system is legal for use in Canada and has been for a long time. Our Weights and Measures Act has been amended by Parliament through the Statute Law (Metric Conversion) Amendment Act of 1976 to allow the phasing in of the metric system in any sector of the economy at a time considered appropriate by a consensus of all concerned. In addition, most sectors of the economy are converting voluntarily after careful investigation, planning and scheduling of implementation. Therefore, I submit, Mr. Speaker, that there is

no need for any over-all legislation concerning the use of the metric system in Canada.

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to preface my remarks with a comment which flows from the remarks of the previous speaker, the Minister of State for Small Businesses (Mr. Lapointe), who referred to the metric system we are now supposedly enjoying in Canada as being voluntary. I would remind him as the member of Parliament for a riding which was one of the three test centres for the metric system, Peterborough, that it is anything but voluntary in the minds of the constituents of Peterborough or in the pocketbooks of the businessmen of that riding.

There is a strange history behind this whole process of conversion to metric. It is a political history book about which members opposite should take a moment to think. They should think about the record of the two previous ministers of small business, and it should serve as a warning to the present minister of small business. I refer to the period when the guidelines for debate on this subject first came in, approximately 1975, if my memory serves me right.

Mr. Lapointe (Charlevoix): There was no minister then.

Mr. Domm: The Hon. Len Marchand was the first minister of small business.

Mr. Lapointe (Charlevoix): That was 1976.

Mr. Domm: He was followed by the Hon. Tony Abbott. Those two former ministers did not listen to the thousands of Canadians who voiced an objection to metric in the retail food sector, and they are no longer with us today. Perhaps I am too benevolent in paying attention to the point which hon. members opposite fail to realize, that they do not pay attention to the consensus of the people of Canada or listen to their constituents when they voice their objections, not by tens, twenties or hundreds, but by thousands.

I have in my hand a computer print-out. It represents the number of people who have objected to the metric system. They are voters and constituents from across Canada. These files which I have on my desk are files of letters from constituents in Sherbrooke, Quebec, one of the test centres for metric in Canada. This file is a one-week file which is to be added to the thousands of letters from constituents and petitions from the riding of Peterborough, where there was a voluntary test centre.

I can tell hon. members how voluntary this system is and what the millions of people in Canada can expect on January 1, 1981. They can expect in 21 cities across this country a voluntary process, a process by which the metric commission dictates arbitrarily. Without consideration for the citizens of Canada, the merchants in 21 to 25 cities will buy metric scales, imported from the United States. The merchants, including the major food chain stores across Canada—Loblaws, Dominion Stores, Sunnybrook, IGA—will be told they must put in metric scales. They will then voluntarily meter out the merchandise to the consumers who totally misunderstand the reasons for this implementation.

If hon. members opposite and the minister of small business, who I notice is not present in the House, fail to hear these comments and refuse to listen to the people of Canada about the implementation of metric by this so-called voluntary process, then I predict the minister will follow the line of Len Marchand and Tony Abbott who, as former ministers of small business, no longer have a seat in this House.

I enjoy my seat in this House. The former member who represented my riding was a member of the Liberal party. He was elected four times and was a cabinet minister. I refer to the Hon. Hugh Faulkner who represented Peterborough from 1965 to 1979. He did not listen to the constituents of Peterborough, nor did he respond to their concerns about the high cost of metric conversion at a time of unemployment and at a time when small businessmen were trying to make a living. He did not respond, listen, care, react; he did exactly the same thing as the present Minister of State for Small Businesses is doing. He completely disregarded the constituents in his riding, in Sherbrooke, in Kamloops and across Canada.

Hon. members opposite in that party which forms the government of the day, will enjoy reading the letters of the people who object to metric. At the bottom of this yardage of computer print-out there are approximately 12 names.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has had difficulty in the past when hon. members wanted to bring materials or things of the nature the hon. member is using into the House. There is a question as to how far one can go with regard to the difference between "tell" debate and "show and tell" debate. I respected the hon. member's original usage of the list because I recognized he wanted to make a point.

I am not going to, nor do I think the hon. member would wish it, make a ruling on the matter. However, I am concerned when I see cardboard boxes of material and things of that nature coming into the House. The hon. member has made his point with that computer list, and I would ask him to give some consideration to the problem which all occupants of the chair have had in deciding the difficult question of how much one can bring into the House during debate. I thank the hon. member, and I apologize to him for my interruption.

Mr. Domm: Mr. Speaker, I respect your decision, but I would advise hon. members that I have no cardboard boxes. Perhaps you, sir, are referring to a member opposite or a member of the other opposition party.

During the question period on April 25 I asked the Minister of State for Small Businesses a question concerning the implementation of metric and whether there had ever been a full parliamentary discussion or an act formulated. At that time the minister said that there was no full legislation or implementation through an act of Parliament, in his memory, but he said he would look into that matter and advise me.

I suppose it would be in order to read some of the concerns of the constituents which have brought them to my attention. Following a statement made in a speech during the Speech from the Throne debate in April, concerning the nightmare the metric implementation had brought to the people of Peterborough, a member opposite interrupted my remarks by saying there was not a single problem in Sherbrooke, not a single complaint. That remark is recorded in *Hansard*.

I took the liberty in finding out why metric, as it was implemented in Sherbrooke, Quebec, was such a roaring success when it was such a nightmare in Peterborough. I wrote a letter to the editor of the Sherbrooke paper—one of the two Anglophone papers in Quebec, I understand—saying I was very pleased to learn how successful the implementation of metric had been in Sherbrooke. I wrote that I would be very interested in learning from them why they related so favourably to this voluntary implementation program.

● (1750)

I received more letters from Sherbrooke in ten days than I received in any ten-day period from my own constituents. They were totally unaware of the fact that it was implemented in Sherbrooke on a voluntary basis and totally unaware of the fact that it was implemented without a problem. I should like to read from one letter I received from a Sherbrooke constituent as follows:

You said you were surprised to be interrupted by the MP from Sherbrooke when you were commenting on metrication and that he said it was positive and there wasn't one complaint. Maybe he got no complaints. I don't know, but I doubt it . . . I have talked to many people in Sherbrooke and I haven't found one in favour of metrication.

Another letter reads as follows:

I was pleased to see your note in the *Sherbrooke Record* concerning the metric system. I am surprised the local MP stated there was no objection. I wish to state there is much dissatisfaction with the way the government has forced this on the public.

And yet another:

I cannot understand Mr. Pelletier stating that there was not a single complaint from the Sherbrooke area. The Dominion Store where I do most of my shopping took a survey, I think in February, and it was an overwhelming gesture against the metric system. I cannot see any benefit in the metric system, just a lot of confusion, and I can assure you the many housewives that I talk to are in agreement with me.

So you see, Mr. Speaker, it is not just the riding of Peterborough that is opposed to the implementation of forced metric. In January, Dominion Stores did a survey. The imperial measure was favoured by 88 per cent in Peterborough and by 68 per cent in Sherbrooke. The Dominion Stores study was a throrough one, a cross-section of detailed interviews of 3,000 people. In Peterborough, only 9.8 per cent of those interviewed favoured the metric system compared to 75 per cent for imperial. Those figures are for more than 2,000 interviews conducted in my riding by Dominion Stores. The figures speak for themselves.

Hon. members opposite may be able to totally ignore these figures and to say that the people of Canada will eventually learn to like it, but what about the food store owners?

Allen C. Jackson, president of Dominion Stores Limited, in an interview I had with him followed by correspondence, said:

We are unable to find any significant benefit to the Canadian consumer at this time in using metric weights for fresh meats, fruits and vegetables. In fact, in the United States, which is our major trading partner, metrication is at least nine to ten years away.

Mr. Jackson's next comment, and I think it is a wise one, is that there is a clear need to delay metrication at least until the United States catches up to the Canadian rate of conversion.

I wonder if those on the other side of the House know how much money conversion will cost? Mr. Jackson says the cost to Dominion Stores alone for converting to metric sales is estimated to be $10 million.

Why should a company be forced to spend $10 million on metrication when it needed it for other purposes? Mr. Jackson says he would much prefer to spend the money on energy conservation. Why not spend this money on something like energy conservation? Could the Dominion Stores not spend $10 million in a better way, than in the United States to purchase weigh scales which Canada is unable to produce and supply? This has a negative effect on our balance of payments deficit.

It should be noted that it is not just the consumers of Canada who are up in arms over this issue. I had a letter from one storeowner in my riding who was particularly upset. He operates a store in Havelock, Ontario, which is on the eastern border of my riding. He indicated that his meat sales alone declined by 21 per cent from the implementation date of September 1, 1979, to November 24, 1979. He said the sales dropped because Havelock is only ten miles from Marmora and Campbellford which are still using imperial. Shoppers simply drove the few extra miles to shop in a system with which they were familiar. He estimated he had lost $37,000 at the time he wrote the letter, not including the $12,500 he had to spend for two metric scales imported from the United States.

Some hon. members may not believe there could be such heavy losses. As a businessman from the Peterborough area I can tell them there are, indeed, such losses. I should like to read an excerpt from another letter I received from a Peterborough constituent as follows:

I live in Peterborough, one of the three centres where the metric system is being shoved down our throats. I for one am defying the system and doing the larger portion of my shopping outside of the city and will continue to do so as long as I can find a merchant who will sell me 16 ounces to the pound and 12 inches to the foot.

In conclusion, Mr. Speaker, if the government will not respond or listen to the constituents of Canada, then perhaps the least we say on this side the better it will be for our party, because we will be returned with a majority, and will form a government that will listen to constituents, respond to their concerns and act accordingly.

This is not a voluntary system; this is a forced system. Two merchants have been locked up and forced out of business. Bands were wrapped around their weight scales so they could

not sell one nickel's worth of their products until they purchased metric scales.

The implementation on January 1 in 21 cities will, I predict, cause a great upheaval across Canada. It should be put on record that Peterborough is not on the list of cities to face metrication on January 1. There is not one metric weight scale in any grocery store, chain or independent retail store in the riding of Peterborough today. That is what they think of metric implementation, Mr. Speaker.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. member for Trinity (Miss Nicholson) may I indicate that if she wishes to call it six o'clock I shall recognize the hon. member again at eight o'clock this evening. It is her preference, of course.

Miss Nicholson: May I call six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening, at which time I shall recognize the hon. member for Trinity (Miss Nicholson).

At 5.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at six o'clock, the hon. member for Trinity (Miss Nicholson) had the floor.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, in the debate this afternoon, one of the members suggested it might be useful to look at the question of metric in historic terms. I would like to do that very briefly.

The white paper on metric conversion, tabled in the House by the Minister of Industry, Trade and Commerce in January, 1970, put forward the view that metric conversion was inevitable and in the national interest. Among the advantages that were stated in the paper were ease and convenience in education and in general commerce, improved trading abilities and opportunities in world markets for Canadian industry.

In 1971, Metric Commission Canada was established to promote, plan and co-ordinate the change-over to the metric system in Canada and to advise the minister of industry, trade and commerce on legislative and any other action required to facilitate conversion to the metric system.

The commission consists of a number of part time commissioners, and the chairman, drawn from various segments of the economy and geographical regions of the country. In organizing their work, the commission divided the various elements of the economy into some 100 sectors and organized committees to consider each of these. As a result, there are more than 2,000 persons, each of whom is knowledgeable in the particular subject involved, engaged in committee work. It is done on a volunteer basis, and most of them receive only limited travelling expenses.

Each committee works through a four-phase program: investigation, planning, scheduling and implementation, and each committee, after consultation with interested members of the public, prepares a timetable for implementation.

One can always improve methods of consultation, but it is not accurate to say that the timetable of implementation is imposed on the affected section of the economy.

With a few exceptions, mainly where the area was already subject to regulation, but also where the sector committee considers regulation desirable for orderly and fair treatment of all concerned, timetables are implemented by those the sectors represent.

The Department of Consumer and Corporate Affairs was represented on many sector and steering committees to provide a consumer viewpoint, as well as to explain the statutory requirements of the laws administered by the department.

[*Translation*]

I feel it is appropriate to reaffirm, as the commissioners did on their fifty-fifth meeting held in January, that the Metric Commission of Canada has always endeavoured to facilitate and promote voluntary conversion. At the first meeting of the commission on January 16, 1972, the commissioners had stated that the conversion to the metric system should be planned by volunteers and they had sent a questionnaire to every national association and provincial government asking for their co-operation.

Such planned but voluntary policy was again discussed at the meeting of the commission held in October, 1977. Some members of the textile industry had suggested the enforcement of regulations under the Weights and Measures Act to put an end to the use of the imperial system. Although the legislation of 1976 amending the statute law (Conversion to the Metric System) had legalized the enforcement of those regulations the commission reconfirmed its policy of voluntary conversion. The commission objected from the beginning against the enforcement of regulations providing dates for compulsory withdrawal at the outset and suggested that they would be used only to complete the conversion in a market which had implemented the metric system.

The policy of conversion by consensus was reconfirmed at the meeting of the commission in October, 1978, when the commission discussed a proposal put forward by some representatives of the textile and furniture industries aimed at drafting regulations to set dates for the compulsory withdrawal of imperial units. The commission agreed on the conversion dates timetable but only after the commission staff and the commissioners had made considerable efforts to get evidence that the textile market was already largely converted to the

metric system. Special meetings were even held to which persons opposed to the regulations were invited to voice their opinion.

For obvious safety reasons the provincial governments enacted laws regarding the metric conversion of traffic signs. However this decision was taken by the provincial transport ministers at a meeting held in Nova Scotia in 1973 independently of the commission. That decision of the premier was incorporated in the conversion master plan of the research sector and the highway maintenance and construction sector at the time when the Roads and Transportation Association of Canada agreed to constitute the nucleus of that sector's planning subcommittee. The plan, including its legal provisions was approved by the commission only on September 15, 1976.

When this regulation was deemed necessary, the commission took exceptional measures during the scheduling phase in order to see to it that all those concerned be consulted and a consensus reached.

Mr. Speaker, I think it will be readily recognized that this was the case with the working group on scales in the retail food industry, when volunteers from the Retail Council of Canada, the Canadian Federation of Retail Grocers, the Retail Merchants' Association of Canada, the Quebec Food Retailers Association, the Canadian Institute of Food Distribution, the Consumers' Association of Canada as well as the scales manufacturing and repair industry co-operated with the Department of Consumer and Corporate Affairs over five years to prepare an orderly plan which, from the outset, required a consensus for the benefit of all before regulations were defined. The food retailing business, unanimously and with the support of the Consumers' Association of Canada, asked the Department of Consumer and Corporate Affairs to prepare regulations under the Weights and Measures Act.

● (2010)

[*English*]

In 1977, an amendment to the weights and measures regulations was passed to enable the conversion of certain commodities, particularly goods sold "loose" at the retail level, to be regulated.

In effect, this set a timetable for the conversion of scales in retail food stores. The schedule as developed by the retail trade, the scale industry, consumer groups and governments divided the country into a number of areas and set dates for the conversion of each area. In this way it was intended that there would be a rapid conversion and, within a few weeks, all the merchants in an area would complete the transition so there would be no possibility of some merchants taking a commercial advantage by not converting. This is, of course, a way of proceeding about which there can be different views. In Australia, voluntary conversion was tried. When a number of difficulties were found with it, the Australians moved to greater regulation.

Metric System

Three pilot areas, Kamloops, British Columbia, Peterborough, Ontario and Sherbrooke, Quebec, completed conversion in August, 1979. Other areas were scheduled to start in January, 1980, but in December, 1979, the former government decided to halt the program.

There were some useful things learned from those pilot areas. One of them was that a month, which was the period allowed for conversion in Kamloops, was too short. Most people seemed to need four or five shopping experiences in order to convert easily from kilograms to pounds.

There are also different views on whether to allow dual pricing and dual measurement while people become accustomed. There are certain advantages seen by people in allowing dual pricing for ease in comparative shopping and comparative pricing. Against this there is rather a lot of experience to show that a very long phasing in process simply interferes with the process, and, while the costs of conversion are not inconsiderable, the final results are well worth it.

Just this evening I was talking to three people who claimed they had greatly increased their business as a result of the change to metric, which has facilitated their penetration of the overseas market.

While there are different views on the best way to proceed, I think I have shown that the methods taken up to now have in general been reasonable, thoughtful, careful and not unduly harsh or fast.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, before beginning my remarks, I would like to make a comment on the statement of the minister this afternoon. He commented on the fact that the leaders of all the various political parties had agreed on metrication. I think he was referring back to 1970 when the white paper on metrication was presented to this House. If he has not seen the comments of Ged Baldwin, who was the one and only spokesman for our party at that time, I would refer him to *Hansard* for January 16, 1970.

While there was no doubt that all parties in the House agreed there was a need for metrication at some future time, there was certainly no agreement that metrication should be forced on the people of Canada. I wish to quote from page 2471 of *Hansard* for January 16, 1970. Ged Baldwin, the then hon. member for Peace River, said:

> I agree that there must be a continuous and detailed study. We are prepared to co-operate with the government in this regard . . . I would strongly urge the minister to give some thought to having the white paper he tabled today submitted either to a special or to a joint committee so that there might be a continuous study and reports from time to time to this committee by the boards the minister proposes to set up.

From that point on there was no referral to this House and no referral to a committee of any kind, but there was a forcing of the metric system on the people of Canada. It was in late 1976 or early 1977 that a debate took place in this House. It was a frustrating experience for those who took part in the debate. The debate was on Bill C-23, entitled "An act to facilitate conversion to the metric system of measurement". It was frustrating because it was the first occasion on which Parliament had an opportunity to debate conversion to the

metric system and members were shocked to learn how far Canada had proceeded toward conversion on the basis of decisions made by the Metric Commission, a commission made up of bureaucrats appointed by order in council. This underlines the arrogance of the government in bypassing Parliament, ignoring our democratic system which provides for public debate by members of Parliament who are representatives of the people on matters which affect individuals so fundamentally, and which also provides for public input through committees.

● (2020)

What the government did was to set up a metric commission and say to a group of bureaucrats: Convert Canada to metric; ignore the cost; ignore the public and their feelings; ignore the inconvenience and ignore the fact that the United States, our largest trading partner, is moving to the metric system only with extreme caution. The government said to the Metric Commission: Push metric through at all costs. And this is exactly what the commission has been doing. They set up sector committees, around 100 of them according to an hon. member on the other side, and in my opinion they named to those committees people who were committed to metric, people who had preconceived ideas and who undertook to sell the metric system at all costs rather than to determine whether it was in the best interests of the sector or whether the people in the sector wanted to go metric.

The Metric Commission also "conned" the civil service in the various provinces to change their land title system. Saskatchewan is a prime example. In that province on April 20, 1976, an order in council was passed amending the regulations under the Land Titles Act and changing the land measurement system from acres to hectares. The hon. member for Humboldt-Lake Centre (Mr. Althouse) did not seem to understand this. He was accusing the federal government of making these changes. But the changes were made by the NDP government in Saskatchewan replacing acres with hectares. As I said, it was done by order in council and without any input from the MLAs or the ministers. When we found out about this order in council, we telephoned some of the MLAs in Saskatchewan and they could not believe that the regulations had been revised by order in council, so as to change acres into hectares in the province. So here we have a situation in which the NDP members are complaining about the metric system being imposed upon Canada by the Liberals in Ottawa while the NDP in Saskatchewan is doing exactly that.

An hon. Member: Shame!

Mr. Neil: Mr. Speaker, the cost of metrication to the end of 1979 has been some $27.7 million with an additional million dollars for the *Metric Monitor*, that newspaper, that propaganda organ which is shipped out to various people around the country on a fairly regular basis. It is also estimated that a further $27 million will be spent in the next three years—the Metric Commission will be spending that amount. If hon. members look at the May 22, 1980 issue of *Hansard* they will find these figures laid out in detail in response to a question showing what it has cost year by year to bring in metrication. Those figures refer to the cost of operating the Metric Commission alone.

It is interesting to recall what took place during the proceedings on Bill C-23. Members of the opposition, particularly those from western Canada, strenuously debated the changes provided in the bill—acres to hectares, bushels to tonnes—in the federal field covering the Canadian Wheat Board Act, the Western Grain Stabilization Act, the Prairie Grain Advance Payments Act and the two-price wheat system. It appeared to us that neither the government nor the Metric Commission understood the west and in particular they failed to understand the survey system which is based on the mile. I shall not go into the details of our survey system; the hon. member for Humboldt-Lake Centre has already done that. I am suggesting that hon. members on the government side did not understand the situation in the west. They did not understand that farm machinery was built in sizes conforming to the imperial system, that it is calibrated for bushels rather than for kilograms and tonnes. It is very difficult, when one has to make three or four calculations, to be certain that in applying fertilizer, or chemicals for example, the right amount is getting to the ground.

In that debate on Bill C-23, the first time Parliament was given an opportunity to discuss metric, members of the Official Opposition pointed out to the government that farmers in western Canada along with the people there generally were opposed to the metric system. We understood the feelings of the farmers. We understood the feelings of those people because we were out there and we talked to them. We communicated with our constituents, because that was our job, and they told us what their feelings were. By contrast we found that the Liberal members from western Canada, such as there were, completely underestimated the depth of feeling on this topic among western farmers. They would not listen. And that is nothing new, because they have never listened. To me, the statement made by the then hon. member for Assiniboia, Ralph Goodale, on January 26, in the debate on C-23 was completely unbelievable. This is what he said in the House:

> I want to deal with a few of the aspects of metric conversion affecting grain which may not be fully appreciated but upon the basis of which I believe this measure is not only supportable but is also in the best long-run interests of all segments of the grains industry, including producers in the prairie region. First, it should be noted that this change has a broad and virtually unanimous base of support in the farm community.

He went on to say that he had visited his constituency and that the people there were all in favour of metric. This was not so. When we got into committee on Bill C-23 representatives of various farm organizations appeared before us. Some of them were members of the sector committee but most of them were either paid employees or executives of the farm organizations and they said the same thing Ralph Goodale, the member from Assiniboia, was saying—that all their members were in favour of the metric system. Nevertheless, at that point in time the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), myself and others were getting petitions from the locals of the various farm organizations opposing metrication.

Those petitions and those motions were passed over to the government so that it could understand the opposition to metrication in the west. But the government paid no attention whatsoever.

Then the minister responsible at the time tried to convince us that converting bushels to tonnes and acres to hectares would mean a saving of $1 million to the grain producers of western Canada. He was never able to explain this in committee, because there was no proof that such a saving could ever be realized.

● (2030)

As a matter of fact, there was no saving. It was going to cost the farmers of western Canada many millions of dollars to convert to metric.

I see that my time is almost up. As far as Bill C-23 is concerned, when we found we could not convince the government to make any change, we suggested to the government that it bring in an amendment to allow a dual system; to allow the metric system and the old imperial system to operate side by side.

This, Mr. Speaker, was turned down by the then Liberal government. Fortunately, when the hon. member for Vegreville (Mr. Mazankowski) became the minister of transport and the minister in charge of the Canadian Wheat Board, he insisted that the Canadian Wheat Board and the grain commission report using the dual system in order that those young people who understood the metric system could make use of it and the older people who understood the imperial system could make use of that. This is a sensible approach, Mr. Speaker. This is an approach this government has refused to take because they say it is voluntary.

Any time you are forced to do something by legislation it is not voluntary, it is a taking away an individual's democratic rights. This is what that government did in bringing in metrication. It brought in, in effect, legislation requiring the people of Canada to do certain things which they did not want to do, and it was brought in without any debate in this House of Commons except for Bill C-23. This is a disgrace and a sad commentary on the way the government across the way operates today.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to begin my comments this evening by saying that in spite of the caricatures which are often used in respect of debates about the metric system, it is important to take the debate about the metric system seriously, and I hope to be able to reflect a bit with hon. members this evening about just why we ought to take it seriously. It is not just a question of dinosaurs versus progressives, although indeed we have had many dinosaurs speak against metrication this evening. Here is another case of the Conservatives being right in some respects but for the wrong reasons, where they have a sort of half decent instinct, but it only manifests itself in inarticulate groanings.

Metric System

I would like, if I could, to articulate some of the resistance to the metric system this evening. Basically, the resistance is there because it is a basic conceptual change from a human system of measurement to a rationalized system; from a measurement system related to the human body to an abstract creation. The difference in how we perceive this question crosses party lines and crosses idealogical lines. I think it is important to acknowledge that. And it cannot be explained away in terms of generation gaps either. I recall, in my first election campaign that I got the most enthusiastic response ever from a group of junior high school students when I said something critical of the metric system.

So the resistance we have to the metric system is not something that is a generational thing; it is something which is very much imbedded in the way people perceive reality and I think we should acknowledge that.

Now, in addition to this conceptual change, which stirs up resistance to the system I think we need to say it has been resisted because it is a change which is seen, and rightly so, to have been imposed upon the public without adequate political debate, without adequate debate in Parliament and without adequate public debate about whether, in fact, this was something that we wanted to do. There was no consensus. From a democratic socialist point of view, Mr. Speaker, this is a very serious thing because the metric system is partly responsible for people having a very negative view of government, and in the view of our party it is very important that people have a positive view of government. We regret that the metric system has been imposed in the way that it has, because it has helped to create a negative view of government.

Human health, I believe—and I mean this in the broad sense of the health of the community—depends on people having a feeling that they are actively and creatively participating in their own reality. Robbing people of this feeling through these false bureaucratic and technocratic imperatives is very dangerous. Humans, I submit are created in the image of an active and creative God, and they will, therefore, quite appropriately resist any attempt to violate their nature in this way, whether their control over their own lives is threatened by a bureaucratic initiative, whether it is threatened by multinational corporations—no matter who happens to threaten control over their own lives.

What we have here is an example, Mr. Speaker, of how too many things are outside the pale of political debate in this country, and of how our consciousness of those things which we perceive to require political debate is too narrow. The metric system is perceived as some sort of a value neutral evolutionary imperative that really does not deserve to be talked about in any sort of political or public way.

I must give credit where credit is due, as I mentioned at the beginning when I referred to the Conservatives as dinosaurs. They acknowledged that some of these questions needed to be reopened, when they were in government, by suggesting a parliamentary inquiry into another issue which has proceeded in the same way as metrication, and that is the development of nuclear power in this country as if it were just part of the

natural course of events and did not have anything to do with conscious public discussion, with opponents being made out to be members of the flat earth society.

I think in this area, as in others, Mr. Speaker, we need to expand the parameters of political debate in this country so that more and more of what we decide to do as a nation, whether we disagree with each other or not, will come within the parameters of political debate. This would be a very healthy thing, but what we are talking about here tonight is an example of just the contrary.

I would be remiss, Mr. Speaker, not to point out, as a final reflection on this issue, the economic side of things. I say "reflection", because I see this debate as an opportunity to debate, really in retrospect, what has already happened. There may be some debate about the scheduling of things. There may be ways that we can talk about how we want to, and what is the best way to implement the final stages of metrication. But in a sense we are really reflecting on something that is already taking place, whether we like it or not. We have to see it as an opportunity to learn, therefore, about what kinds of mistakes not to make in the future.

As I said, I wanted to talk about the economic side. The Liberal government has, as usual, acted in a way that is supposedly—at least if you listen to the rhetoric—in the interests of the Canadian public but, in fact, they have acted in a way that is actually extremely insensitive to the needs of farmers, insensitive to the needs of small businessmen and insensitive to the needs of workers who never asked for metrication in the first place. But it is something which fits, as usual, perfectly into the global profit strategies of multinational corporations. It fits perfectly into the profit strategies of these global corporations, in their kingdom building aspirations, in whose long-term interests it is to create the standardization and uniformity that will result from metrication, not to mention the short-term profits they receive from smaller units for higher prices.

Global profit strategies, Mr. Speaker, by definition, require increasingly homogeneous markets and a built-in disrespect for local and traditional customs and values. My friends on the right here, who are so fond of defending these sorts of things, ought to contemplate that reality the next time they get up to defend their multinational friends. Unfortunately for the multinationals, Mr. Speaker, the human spirit, it appears to me, will prevail against all efforts to destroy our particularity and the ways in which we express ourselves in differentiated ways as human beings. Our humanity will thus prevail. This will be true of all efforts to reduce us to passive receivers of our reality and to unconscious consumers of metric hamburgers.

May we learn therefore, from the arrogance and the disembodied intellectual approach, which has characterized metrication, a new respect for the dangers of trying to change reality by undemocratic means in a democratic society.

Some hon. Members: Hear, hear!

• (2040)

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, for the second time in as many months I rise to make my case on behalf of many millions of Canadians who have been metrified by this government.

Some hon. Members: Oh, oh!

Mr. Scott (Hamilton-Wentworth): This time I am speaking on behalf of the Canadian consumer; not only in my official role as opposition critic for consumer affairs, but as a consumer myself and one who has been in direct contact with several thousands of consumers across Canada about this government's wholesale conversion to metric.

Let me put on the record the basis for my intervention in this debate which, I am delighted to note, is the first full-blown discussion on metrication, save one hour last month when I introduced a notice of motion to make metric conversion voluntary. This is the first opportunity to register the views of all parties in the House of Commons on the specific subject matter of metric conversion.

My professional interest in metric conversion first arose in my election campaigns over the past year and a half. For reasons which I thought were peculiar to the Hamilton-Wentworth region alone, I was forever questioned about metric conversion at coffee parties, at shopping centres, on front verandahs. The vast majority of my constituents were pleading with me to do something about this metric nonsense, as they kept describing it.

Why was this an issue only in my riding? Neither Ancaster, nor Dundas, nor Waterdown, nor even the city of Hamilton itself, were test centres like Sherbrooke or Peterborough or Kamloops. Why the consumer furor over metric in Hamilton-Wentworth? After researching the history of Canada's metric conversion program, dating from the mid-1960s and culminating in the government's white paper on metric in 1970, I was amazed to learn how totally Canadians had been force-marched into metrication by the Liberal administrations of the 1970s, by stealth, as has been so thoroughly documented by my colleague, the hon. member for Capilano (Mr. Huntington).

So, like any responsible reporter who turns politician and tries to sample public opinion before arriving at a definitive position on an issue affecting peoples' lives such as this one, I went on a Hamilton radio station open line program to invite the views of listeners on metric. I also requested the people of the entire southern Ontario area served by radio station CHML to write to my office on Parliament Hill regarding their position on metric, for or against. I believe the "Open Line" host, Mr. John Hardy, can testify that my question was absolutely straightforward: Are you in favour of metric conversion or not, and why?

I am still not certain, Mr. Speaker, how many letters arrived in my office postmarked Hamilton and a myriad of other

centres in Ontario—I think we received 700 in the first week and upwards of 2,000 within the next few days. That was, however, only a cross-section of the listening audience of one of several Hamilton area radio stations.

Some hon. Members: Oh, oh!

Mr. Scott (Hamilton-Wentworth): If you fellows would listen, you might get a little information on this whole metrication program. Listen to the input from the people. There followed a constant stream of requests from similar programs across Canada. I spent an average of eight to ten hours a week for a solid month on radio talk programs, discussing metric with Canadian consumers from Vancouver to Halifax. For the record, Mr. Speaker, these are the broadcasting outlets which devoted up to two hours on this subject: In Hamilton, CHML; in Vancouver, CJOR; in Ottawa, CFRA with Mr. Hal Anthony; in Halifax, CJCH; in London, CFPL with Mr. Bill Brady; in Edmonton, CJCA with Mr. Ron Collister; in Winnipeg, CJOB with Mr. Peter Warren; and in Regina, CKCK. That one was a live debate with the Saskatchewan minister of highways, Eiling Kramer. The point I want to make is that flowing from these many hundreds of telephone conversations with Canadians came thousands of letters to my office—my staff and I have lost count, but I have here, not a box full of letters, but two files, of about 14 in my office—

The Acting Speaker (Mr. Blaker): Order, please. The Chair appreciated the comments of the hon. member, but since I did warn another hon. member earlier about using exhibits, I think it would be improper of me not to warn the hon. member. I would ask the hon. member to remember that there is in fact a rule against exhibits in the House of Commons.

An hon. Member: He is an exhibit himself.

Mr. Scott (Hamilton-Wentworth): Thank you, Mr. Speaker. I am in total concurrence with your admonition. The only difference between previous displays and this one is that I am going to quote from some of the letters that have arrived in my office, and I would beg your indulgence for a few moments.

An hon. Member: Read them all.

Mr. Scott (Hamilton-Wentworth): These files testify to the very strong feelings of Canadian consumers about the changeover to metric. As I said, I will go through those letters at random. These letters come from Highland Grove, Ontario, Halifax, Burlington, Victoria, Montreal, London, Lynden, Ontario, in the beautiful riding of Hamilton-Wentworth, Sydney, Nova Scotia, Indian Head, Saskatchewan, Ottawa, Killam, Alberta, Annapolis Royal, Nova Scotia. Let me pick any one of them at random. Here is one from Snowflake, Manitoba.

An hon. Member: Wow!

Metric System

Mr. Scott (Hamilton-Wentworth): It reads.

I am definitely against metric. I am a farm woman and I don't see why farmers should be put to the awful inconvenience of hectares, litres and all the rest.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): It goes on to read:

For myself I think recipes, dress patterns, temperatures and the whole mess is so totally unnecessary to change to metric—

Why wasn't the whole country consulted before it was started?

That comes from Patricia Robinson in beautiful downtown Snowflake, Manitoba.

Many of these letters are from proponents of Canada's conversion to metric. The vast majority are very much against what they constantly refer to as "metric madness." The most interesting aspect of the individual Gallup poll I have conducted is that nearly all radio hot line calls and these letters are thoughtful ones, not hysterical or emotional appeals to stop progress and turn the clock back 100 years.

That is what bothers me most, Mr. Speaker, including some of the comments made by the hon. pterodactyl from Winnipeg-Birds Hill (Mr. Blaikie). Because some of my colleagues on this side, and I have the democratic responsibility to check with our people, and because we dare to raise publicly the awful possibility that this Liberal government may indeed have moved too fast, too bureaucratically, too dictatorially, on a matter as profoundly important to Canadians as metric conversion, we are branded as anti-progress neanderthals living in the eighteenth or nineteenth centuries, as people afraid of progress, afraid to take a different stand from our largest trading partner, the United States.

Of the several thousands of letters in my office, the major problems faced by consumers fall into seven areas. They are: First, metric packaging rip-offs; second, retooling costs; third, the costs of new scales; fourth, land measurements; fifth, construction standards; sixth, safety problems with conversion; and seventh, other conversion problems, the latter being an umbrella category with which almost any one of us can identify.

My hon. friend, the hon. member for Brampton-Georgetown (Mr. McDermid) just told me a recent horror story about a tornado that touched down in Bramalea about ten days ago. It tore away great chunks of aluminum siding and roofs, and now the insurance companies are complaining that the tornado is costing them a fortune because all aluminum siding and shingles have switched to metric, and much of the reconstruction has to start from scratch. I am sure the insurance companies can afford it, but it is the home owner who will be paying for metric conversion through higher premiums in the long run. You do not need an act of God to demonstrate potentially devastating costs to home owners. An electrical contractor in my riding recently warned me about what will happen when your fluorescent lights go hard metric. Many households will need to be rewired to accommodate the shorter metricised length of your fluorescent lights over the kitchen and bathroom sinks or in the playroom.

Metric System

● (2050)

During this sampling of opinion on metric, I have welcomed all points of view. Sometimes I have received very thoughtful flaying of my position on this subject. I want to read into the record part of one such excoriation, the most recent one published last week in the *Dundas Star Journal*. I hope Mr. Speaker will not mind if I display the paper in which this article was published.

An hon. Member: It is a good paper.

Mr. Scott (Hamilton-Wentworth): Yes, it is a good paper. The lady who authored the prominently displayed letter to the editor signed herself simply as Jane Neysmith. Presumably she was a Dundas constituent. She maintained that the only reason I am harping on the metric question is for my "political security". She further went on to state:

In his weekly letters to the folks back home Scott wrote "I resent the way the previous Trudeau government force-marched us into metric conversion without consulting the Canadian consumers".

Certainly I still stand by that statement.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): Miss Neysmith continued, "Does he", meaning me—

Some hon. Members: Oh, oh!

Mr. Scott (Hamilton-Wentworth): She continued:

Does he also resent those Canadian consumers who freely and overwhelmingly voted Trudeau and his government back into power?

I want hon. members opposite to listen closely to this. She continued:

It was a democratic way of failing to demonstrate real discomfort with metrics.

In short, the lady is suggesting that the return of the Trudeau government is a vindication by the majority of Canadian consumers that metrication is an all right thing. I can only assume that all hon. members opposite who support the Liberal government's imposition of metric will agree with Jane Neysmith, that the Liberal victory indeed was a indication of the Canadian consumers' approval of the switch to metric. I know all hon. members on the government benches will be thinking of their constituents when they vote on this metric motion later this day.

I have here Parliament's infallible diary, *Hansard* of March 17, 1975, page 4180. I will not hold it up because it will be constituted as another display. This will probably be the one and only time I quote a prominent member of the Liberal government so extensively to support my case. I am delighted to see the Minister of Industry, Trade and Commerce (Mr. Gray) here this evening. I should like to quote that hon. member for Windsor West because his comments cry out for a rerun in the public record on metric. It reminds me of the story going around about Ronald Reagan wondering if, at his age, he can last eight years in the White House, if elected president next November. The answer is: yes, he will do the first four years and the next four years will be reruns. I am delighted to have an ally such as the hon. member for Windsor West as a rerun or, in Windsor parlance, as a retread. I should like to quote the memorable utterances of the former minister of consumer and corporate affairs on metric. If one does not think metric was imposed, listen to the hon. member for Windsor West.

An hon. Member: Watch his hair go up on end.

Mr. Scott (Hamilton-Wentworth): I should like to refer to *Hansard* dated March 17, 1975, at page 4180 which reads as follows:

One can also ask why the government is asking the House to deal with this important matter by resolution. A resolution does not have the legal force of an act of Parliament. It is not binding on anyone in the sense that not following it would bring any criminal or civil sanction.

He was referring to members of Parliament when he said the following:

This means that we have no opportunity to question the minister or his officials directly and in detail on the practical effect of metric conversion on our daily lives and our commercial activity, both domestic and foreign, nor can we question them on the costs of this conversion and how they will be assumed.

I should like to quote from page 4181 of *Hansard* when the hon. member for Windsor West said the following:

We are dealing with a very serious issue. The suitability of these dates—

He meant the guideline dates for conversion. He continues:

—has a lot to do with the ability of our economy effectively to carry on both domestic and foreign business, its ability to meet import competition and, above all, it has a lot to do with what the actual costs may be for business and industry, and therefore ultimately for the public, of converting to the metric system.

My favourite quotation from the present Minister of Industry, Trade and Commerce appears on page 4182 of *Hansard*. It reads as follows:

There is another area of concern which the government appears to have overlooked.

I will be right with you, Mr. Speaker. It continues:

I refer to the possibility that some unscrupulous elements in the business world will use the changeover to the metric system to increase profits unjustly at the expense of consumers. They would in effect use the opportunity to increase their profit margins by maintaining the same price even when they shift to supplying their product in a metric size, which in fact is somewhat smaller than the size previously used.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): In conclusion, I should like to again—

Some hon. Members: Order, order.

The Acting Speaker (Mr. Blaker): Order, please. It has been an interesting experience. I am sorry to have to cut off the hon. member, but I will recognize the hon. member for Kitchener (Mr. Lang).

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I rise on a point of order. In view of the immense interest expressed throughout this debate in the report of the metric overview board, I wonder if I could seek the unanimous consent of the House to table this report.

Mr. Lapointe (Charlevoix): We made an agreement, let us stick to it.

Mr. Scott (Hamilton-Wentworth): I would simply like to table the report so that it will be available and accessible to all people of Canada and all members of the House of Commons. May I have that unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): Order, please. In the first instance the hon. member has come to the end of his allotted time. There is relatively strict order today. Because so many members want to speak, the Chair is obligated, on behalf of all hon. members, to give every member an opportunity to speak. I understand that this is a motion; and the hon. member wants to table some papers. I could rule against the request of the hon. member simply on the grounds that he has now exceeded his time. Aside from that, if in fact he is making a motion to table some papers he must seek the unanimous consent of the House. As I understand it, he does not have the unanimous consent of the House. That being the case, I recognize the hon. member for Kitchener.

Mr. Peter Lang (Kitchener): Mr. Speaker, the point that strikes me most about this non-confidence motion of the official opposition is that they have chosen the issue of metric conversion to try to bring the government down.

Some hon. Members: Oh, oh!

Mr. Lang: Does this mean that metric conversion is the highest concern and priority of the official opposition? If so, I suggest their priorities are out of whack.

Some hon. Members: Hear, hear!

Mr. Lang: The second point I should like to make is that I find it quite ironic the hon. member for Capilano (Mr. Huntington) is the member who brought this motion before the House. On November 14, 1979, when that member was the minister of state for small businesses and industry, he said in response to a question of the hon. member for Ottawa-Carleton (Mr. Pepin):

> The fact is, the whole process has been handled very well by the Metric Commission, who are engineers, who have been dealing with sectors of industry and associations, who have had time to sit down and study the various implications and problems involved.

The hon. member for Capilano seems to have changed his tune.

It is apparent to me that the issue of metric conversion has become an emotional issue. To get some perspective on this problem, let us look at the facts and the history of metrication. The Weights and Measures Act of 1871 established the metric system for legal use. The Canadian government policy that metric conversion was inevitable and in the national interest was established by the House leaders of all parties. On January 16, 1970, the House leaders from all parties supported the white paper on metric conversion in Canada.

• (2100)

It is well worth noting that the white paper resulted in a response by the Canadian government to representations from diverse segments of the nation, an example of democracy in action. These representations came from groups which include the Consumers' Association of Canada, the Canadian Home and School Association, the Agricultural Institute of Canada, the Canadian Chamber of Commerce, the Canadian Pharmaceutical Association and the Canadian Council of Professional Engineers. Does the opposition party say that all those people have no relevance?

Some hon. Members: Hear, hear!

Mr. Lang: These learned groups, after great consideration, were convinced of the practical benefits to be derived from a system with advantages that range from simplifying the learning process in school to improving and consolidating Canada's position in world trade.

We should also keep in mind the voluntary nature of metric conversion. There are some 102 voluntary sector committees with over 2,000 volunteer representatives from industry, labour, consumer, and governmental bodies. Metric Commission Canada has had the over-all strategy of involving every sector from every region of Canada as soon as possible in planning for metric conversion. Sector plans are developed through a consensus process. These groups take the responsibility for monitoring the implementation of their plans. Thus, the voluntary participation approach is characterized by plans which are developed by those who will have to implement them.

After consulting with industry, labour and consumer groups, a program of guideline dates for metric conversion, recommended by Metric Commission Canada, was approved by the Canadian government and debated in the House of Commons on March 17, 1975, contrary to what the opposition has said. The Standing Committee on Finance, Trade and Economic Affairs, an all party committee, studied this matter at length and voted unanimously in favour of it. It reported back to the House on December 17, 1976, with the recommendation that the House consider the advisability of adopting this program and also of introducing additional legislation for metric conversion.

Subsequently, the Metric Conversion (Statute Law Amendment, 1976) Act was passed by the House of Commons on July 25, 1977. This was debated in the House over a period of nine months. It gave the governor in council the power to set dates in any sector of the economy, after which the customary imperial system would be illegal. Out of a total of 33 sectors which have published metric conversion plans, there are only three sectors for which regulations have been issued under the Weights and Measures Act. These regulations establish cut-off dates for the sale and advertising of goods in other than the metric system.

With regard to these three sectors, regulations were requested by the working groups on scales in the retail food industry, by the home furnishings and piece goods industry and by the petroleum refinery wholesalers and gasoline service stations—they were requested. These groups or committees had consumer and industrial representatives on them. The moves to make metric conversion mandatory in these three sectors were therefore initiated by the industries concerned, and not by Metric Commission Canada. The regulatory action that was requested was to bring about an orderly conversion without unfair competition, reducing the possibility of consumer confusion to a minimum.

As I stated before, the House leaders of all parties spoke in 1970 in favour of the policy for metric conversion. They stated it was inevitable and in the national interest. The white paper was quite specific about some of the economic advantages of conversion.

Mr. Blenkarn: What are they?

Mr. Lang: I will give them to the hon. member, and I will quote from the white paper.

> Important benefits of conversion are to be found in the ability to maintain and expand Canadian trade with nations in the metric sphere.

Some hon. Members: Oh, oh!

Mr. Lang: If hon. members would cut down on the noise they might be able to hear better. The quotation goes on:

> Because of the vital importance of foreign trade in Canada, especially the need for growth in exports of manufactured goods, there must be serious concern about damage to Canada's competitiveness in world markets as a result of the pace of change-over to the metric system—

This is particularly important for Canada. In 1978, 26 per cent of our GNP was in exports, compared to only 7 per cent in the U.S.A. I quote again from the white paper:

> The view is held in certain sectors of industry that Canada should not attempt conversion independently of the United States. The Canadian automobile industry, with its close ties with the United States involving common designs, production and the marketing programs, is cited as an illustration.
>
> It appears generally the practice of the larger automobile companies to design in the measurement system of the different countries in which they manufacture. Metric or non-metric design may be translated and adapted as occasion demands. The same companies in their international operations are conscious of the great practical advantages of common, standard stock sizes of metal materials, common standard fasteners and common designs for production and maintenance spares.

That was the situation in 1970. Today, some Canadians have a misconception about metric conversion in the United States which, of course, is our major partner.

In early 1980, a statement by President Carter in the report of the U.S. metric board to Congress reaffirmed the U.S. federal government's support for metric conversion. The United States passed a metric conversion act in 1975. With confirmation by the Senate of the United States metric board in March, 1978, and the steady conversion of United States industry and services to metric, all of Canada's trading partners either operate in metric units or are converting to them.

It is true that about 70 per cent of our exports go to the United States. The automobile and parts related manufacturing sector in the United States is leading metric conversion in North America. Over 70 per cent of manufacturing and orders for parts are already in metric units. The General Motors X-Model, 1980 cars are now 90 per cent metric, and they have stated publicly that they intend to complete the conversion of their operations by 1982.

These developments are significant for employment and production levels in over 200 companies with over 100,000 employees in southern and central Ontario and southwestern Quebec. Thirty one per cent of Canada's 1978 exports to the United States were in motor vehicles and parts. This is our biggest single manufactured export to the United States, and it amounted to over $11 billion in 1978.

Canada's third largest export to the United States is newsprint, and the exports in that industry in 1978 amounted to $2.3 billion. The paper mills in Canada have virtually completed implementation of their metric conversion plans. Even in the U.S.A., over 80 per cent of the mills label, ship and invoice using metric units.

A number of sectors in the United States are ahead of counterpart sectors in Canada. For example, Canada exports distilled liquor products to the United States and, by U.S. law, the federal alchohol U.S. administration act, all packages of spirits have been in metric units since January, 1980. At this time Canada has not converted this sector to the metric system. In addition, all new wine packaging and retailing in the United States by the same law has been in metric units since January, 1979.

I could go on with the various examples of where Canada is behind the U.S. in metric conversion and the importance that we continue on with the metric system. I am also aware of the problems that any new change brings to the population, particularly in the stressful society in which we live today. I am concerned about the stress that relates to the elderly, but with help and understanding from the younger segments of our society the painful transition can be made, and it must be made sometime.

The major point I want to make is the one I established at the outset of my remarks: The official opposition has shown, by using metric conversion as their issue to raise a non-confidence motion to defeat the government, that their priorities are completely out of whack.

Some hon. Members: Hear, hear!

Mr. Huntington: Mr. Speaker, I rise on a point of order. The hon. member for Kitchener (Mr. Lang) was good enough to quote *Hansard* of November 14, 1979, at page 1302, and to take out of context a few sentences in an answer which I gave to a question asked by the hon. member for Ottawa-Carleton (Mr. Pepin). If he had read on for a few lines more he would have read:

> The fact is, the whole process has been handled very well by the Metric Commission, who are engineers, who have been dealing with sectors of industry

and associations, who have had time to sit down and study various implications and problems involved.

● (2110)

This is what he did not read:

What has happened is this: in the process, the people outside have been forgotten and the human element has been completely ignored.

Mr. Lang: A point of order, Mr. Speaker. I do not think the addition of the last sentence changes what the previous paragraph stated—there was confidence expressed in the Metric Commission.

Mr. Arnold Malone (Crowfoot): Thank you for your wisdom, Mr. Speaker. At the outset of my participation in this debate I want to express my particular pleasure in seeing in the House tonight the hon. member for Capilano (Mr. Huntington) who opened this debate today. I should also like to pay tribute to the hon. member for Red Deer (Mr. Towers) who for many years now has felt that the very important issue of metrication was not getting a fair hearing in this Parliament. He played a big part in organizing this debate today and I know that members of our caucus want to salute him.

Some hon. Members: Hear, hear!

Mr. Malone: I am glad the Minister for Industry, Trade and Commerce (Mr. Gray) is in his seat. The Minister of State for Small Businesses (Mr. Lapointe) has just stepped out, but I am sure he will return in a few moments.

I am pleased the two ministers are here because, while it may be the view of the government that it has launched into the metric program to such an extent it cannot back out of it, many Canadians have a different view.

As part of my submission tonight I want to make an appeal for special consideration in at least one area where metrication has not yet become a fact of life. It would have become a fact on January 1 had it not been that this party was the government at that time. I refer to the metrication process in the meat industry, which would have included auction markets. Any member of Parliament who has ever been around an auction ring would know there is a significant difference between fixed price buying and bid buying. However difficult Canadians may have found it to go to supermarkets, machinery dealers or whatever market, to buy items at a fixed price, they probably could do so if they worked at it long enough, by making calculations on the back of a cigarette packet or even on a pocket calculator. The situation is very different at the auction ring, however. There are two presumptions that go with auctions: the first is that both the buyer and the seller know the value of the product, and the second is that they know the language of the game.

If I were the gentleman who represented the riding of Lethbridge for some years in this House, that great auctioneer, I could demonstrate what goes on when one bids on products or livestock at an auction. The auctioneer goes into his act and wants to know how much you will give—per kilogram. A split second decision has to be made which calls for judgment. When you start buying livestock at so much per hundredweight, you are actually buying at one-tenth of a cent per pound. Mr. Speaker, it is impossible for the auction industry to survive with metrication because neither the buyer nor the seller will have confidence—

Some hon. Members: Oh, oh!

Mr. Malone: I think it is time, Mr. Speaker, to note that the hon. member for Timmins-Chapleau (Mr. Chénier) is interrupting again. He is like that left-wing chickadee, fresh from a feast of fermented chokecherries—always flipping around this House, never making any more sense with his interruptions than he ever does. All he can do is interrupt. Maybe he should become aware that I have had a chance to talk to some other members of his party privately. Those members from the province of Quebec who went through the tortuous experience of the referendum a few weeks ago ought to recognize that whatever solution might have come out of that referendum that made Canadians in general happy, the mood in western Canada is not one of happiness. Their unhappiness largely relates to the question of transport and the injustice they feel in that regard. The attitude of this federal government toward the fact—

Mr. Stollery: A point of order, Mr. Speaker. The opposition was arguing the question of metric conversion. I do not know what the hon. member is going on about, but I wish he would stick to the point instead of going off on fancies which exist in his imagination about the problems of western Canada—

An hon. Member: Sit down.

Mr. Deputy Speaker: Order, please. The hon. member for Crowfoot (Mr. Malone) has the floor. I am sure the suggestion that he might make his remarks more relevant to the motion before us has not been missed.

Mr. Malone: Mr. Speaker, I want you to know that I am very annoyed with the hon. member for Spadina (Mr. Stollery) because I was coming, after saying that resources are another question, to the point that on the prairies today one of the greatest reasons for discontent is the move to metric conversion.

I have often risen in caucus to say what the mood on the prairies is regarding metrication. My colleagues will point out that farmers in Ontario feel the same way. But I submit there is a difference, Mr. Speaker. The particular difference is that, unlike the other seven provinces in this country, the prairies were surveyed in miles. If you fly over the prairies you will see the grid pattern of one mile east and west by two miles north and south.

That leads me to another point, Mr. Speaker. We went through a decade of debate in this country from the time of the Right Hon. Lester Pearson to virtually the present day about something called the Canadian identity. Canadians went through that soul searching period, asking "who are we"? Somehow many believe that we are not unique among nations of the world and there is nothing that sets Canadians apart.

I remember a recent election night when the newly elected Prime Minister (Mr. Trudeau) quoted Robert Frost who said, "Promises to keep and miles to go before I sleep."

Mr. Stollery: What does that have to do with it?

Mr. Malone: It has plenty to do with it. The next day as I was driving back to my constituency, on the car radio I heard an advertisement for Superior Ford claiming that their trucks were the best by a country mile.

I am simply saying that the roots of our system of measurement go back to the roots of our country. This is the land of the mile. The word kilometre simply is not a part of how Canadians think and feel.

The hon. member for Kitchener (Mr. Lang) told us tonight that we have already made temperature conversions, that cars have been converted to the metric system, that boats have been converted to the metric system, bottles of alcohol have been converted to metric and pulp and paper has been converted. What the hon. member does not realize is that the citizens of Canada have not yet converted to metric. This kind of talk that somehow in the higher echelons of industry—

Some hon. Members: Oh, oh!

Mr. Malone: Maybe I will pause here, Mr. Speaker, because there is nothing but a racket coming from the other side. We gave hon. members opposite some consideration when there was a bit of torture in their hearts about whether the referendum was going to be carried. I point out to them tonight that the disrespect shown to the prairie communities has far more serious implications than they believe. If they continue to show the arrogance they are showing tonight, this country will surely split as it was about to had the referendum been lost in another province.

I want to speak tonight about the attitude of government. As a student going to school I associated with someone from a neighbouring school whom I knew, though not particularly well. That particular person had some difficulty academically and left high school before completing his education. He bought a broken down farm, however, painted it up, planted hedges and trees and in a few years had built himself a real showplace. I drove into his farmyard about two years ago.

● (2120)

Mr. Chénier: Jack Horner.

Mr. Malone: When I asked this man how everything was going, the man buried his face in his arms, leaned against the corral fence and burst into tears.

Some hon. Members: Oh, oh!

Mr. Malone: I hear the laughter on the other side, but it would do members some good to listen. He had just killed a quarter section of cereal crop land because he had made the wrong conversion from metric. Here was a man who was a food producer for Canada. He fed the Canadian people and had surpluses left over. He was a useful citizen. He produced, and he did things, but by the action of an insensitive government which believed somehow its deadlines had to be met, that there could not be the printing of both imperial and metric, this man lost his self-esteem. Who did that? The Government of Canada. The government that should be elected by the people and for the people made a Canadian citizen feel like he was useless. Members opposite like to take the attitude that this is lighthearted, that they can laugh it off and chuckle. But I tell them most seriously if that man were here tonight, I know very well he would whip them because he is just so angry and bitter about what this government has done in terms of destroying his ability to produce his own livelihood.

Another constituent of mine is over 90 years of age, and came from Norway. He came here after knowing the metric system. Now he tells me that he did not know what the temperature was, how fast he travelled or how far he had gone. He said that he did not know what his farm production volumes were. He asked what was happening in Canada today.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): That is why you lost the west with that silly laughing and those stock answers.

Mr. Malone: For those opposite who treat this matter so lightly this evening, I want to share with them some other serious difficulties that are happening in prairie farm production as a result of the conversion to metric. Farm people become pretty astute in making judgments about their production. I doubt if there is a farmer anywhere in prairie western Canada who grows grain and who cannot very quickly estimate within four, five, eight or ten bushels how much his truck holds. He could go to a country elevator and the agent could attempt to cheat him by 50 or 60 bushels, but the farmer would argue with him and tell him that he had more grain than he was suggesting.

Now the measurement is in tonnes. You visually cannot see, nor can a human being comprehend the weight of a tonne because you cannot lift one. What happens when the elevator agent says to a farmer that he has so many tonnes of grain? The farmer has to take him on blind faith. We trust most of our elevator agents. But in doing business we do not trust people to the extent that we trust them irrespective of our intuitions.

Again, members opposite in their insensitivity toward farmers and people in farm production are finding out that this government by the attitudes it has taken has been the source and cause of great discontent.

I do not think you will find members in this party or in the party to my left, or even reasoned Liberals who would take the position that one system is absolutely right and the other is absolutely wrong. That is not the argument. Surely for all of the talk you have heard here tonight, we staged it in and it came in with agreement of certain groups, but we all know in this Parliament that Canadians out there—

Mr.Deputy Speaker: I hate to interrupt the hon. member but I must advise him that his time has expired.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, it is my pleasure to rise to speak to the motion put forward by the hon. member for Capilano (Mr. Huntington) concerning the metric conversion program. I would like to make three points tonight on this topic. One concerns my personal experience with metric conversion, another concerns my educational experience, and finally I would like to point out the number of companies and sectors of the economy which benefit from metric conversion.

First let me share my personal experience. Ten years ago I had the opportunity to live in a country that was totally metric. I had my whole family with me including my two sons who were then aged eight and nine. They attended grades three and four in school, and in one year this eight and nine-year-old learned the metric system completely. If my children at those ages could learn the metric system in one year, then surely to goodness hon. members opposite can learn the metric conversion in their lifetimes.

An hon. Member: I don't think so.

Mr. Malone: How many kilopascals do you have in your town?

Mr. Flis: I was never exposed to the metric system. When we did our shopping, we bought our meat in kilos.

An hon. Member: Did you ask your constituents about this?

Mr. Flis: I did ask my constituents. I did not receive one complaint from them about this topic.

A member this afternoon criticized the hon. member for Sherbrooke (Mr. Pelletier). He did not receive one complaint from his constituents, so I do not know what all the fuss is about.

We did our shopping in kilos and litres. I paid two zlotys for one litre of mineral water. There was no problem. I emphasize that if children aged eight, nine or ten can convert to metric system within one year, then I do not understand all this fuss about changing a country to the metric system. That outlines my personal experience, Mr. Speaker.

My second experience concerns the educational system. I would like to share with hon. members opposite and with all hon. members of this House the Conservative government's policy for Ontario on metrication. I want to emphasize this; this is the metrication policy of the Conservative government of Ontario. As a principal of a school, I received a directive which I had to implement in my elementary school. First, all schools in the province of Ontario were told that the metric system was to become the principal system of measurement in the curriculum of the elementary and secondary schools of the province.

As I said, this is a directive which came from the Conservative government to every school in Ontario. Second, the metric conversion being implemented in the schools was with the expressed intention of ensuring that programs of instruction became predominantly metric by June, 1978. That is two years ago.

Some hon. Members: Hear, hear!

Mr. Flis: Here is a province that knows the importance of converting to metric and which converted its school systems completely two years ago, in 1978. Yet here we are arguing today whether we should convert or not. That was done two years ago by a conservative government which is twenty years ahead in its thinking over its federal counterparts.

Third, the directive stated that metrication was to be applicable to all areas of the curriculum and that all measured quantities wherever appropriate were to be stated in metric units. This is a directive I received about seven or eight years ago.

• (2130)

Fourth, the units and symbols of the metric system taught in the schools conform to those of the international system of units known as System International, SI, something which the hon. member who introduced the bill a couple of weeks ago was knocking down, yet this was recommended by the Conservative government of Ontario.

Fifth, metric conversion should be accepted as an opportunity to reassess pedagogical approaches towards the topic of measurement as a whole, that students be provided with opportunities to acquire a practical experimental knowledge of metric units through activity that involves comparing, estimating, measuring and related problem-solving and that teachers and students be encouraged to design and construct appropriate measuring devices to be used in conjunction with selected commercial equipment.

Two weeks ago we heard from the opposite side that students should be given the choice whether they want to learn metric or the imperial system. I can see in my grade 7 class one student wanting to learn metric and another wanting to learn imperial. Is this what the opposition is proposing? Someone has to take leadership and it seems that this government has taken that leadership.

Sixth, metric changes in the curriculum should be co-ordinated with corresponding changes in industry and commerce. Educational authorities saw far enough ahead that they realized our educational training must be co-ordinated with industry and commerce, something that hon. members here cannot seem to see.

An hon. Member: Tell the truth.

Mr. Flis: If quoting from a government document sent to every school by the government of Ontario is not telling the truth, I do not know what is.

Seventh, metric conversion of learning materials in the schools be carried out on a pre-planned and gradual basis, with due consideration being given to the attrition, modification and

replacement of materials, as well as to the availability of new learning materials.

This is the metrication policy of the Conservative government of Ontario whose goal was to convert all schools two years ago, and we are arguing about it today.

An article in the *Toronto Star* just the other day stated that the United States will be selling gasoline by the litre by 1981. Who provided leadership? It was provided by Canada. We now have litres in our gas pumps. A giant country like the United States of America is following our example. That is what leadership is all about.

The third point I wanted to make was the number of companies and sectors of the economy benefiting from metric conversion as it has been approached in Canada. Let me give one example. Intercomp Resource Development and Engineering Ltd., based in Calgary, Alberta, is one of a growing number of Canadian companies operating internationally in the metric system. This is why we are going metric. If I have a manufacturing plant in Canada, I must produce one item in the imperial system. If I want to export that item, I must manufacture it according to the metric system, double the cost. Where is the sense?

Since its formation in 1968, Intercomp has expanded its international operations and now has major offices in Houston, Texas, and The Hague, Netherlands. President R. C. McCullock estimates the value of projects requiring the use of SI units has exceeded $1 million annually and states the requirement for providing services and software in metric measurement is accelerating.

I could go on for a full half hour, but I understand there are other members who want to speak on this topic. I have emphasized the three points I wanted to make. The first was personal experience, second, where we are in education today, 20 years ahead of the thinking of some members opposite, and third, the number of companies in Canada, and I will not take the time to list all of them, which have already converted because they have to compete in the world market.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is a very important issue to all Canadians. It affects us all whether we like it or not. We all have to deal with physical things and live in the real world. When we talk about what affects the way we measure and what is in the real world, it makes us realize that metrication has an effect on us all. There are a couple of points I want to make. Time is fast disappearing.

It has been a great mistake to talk about bringing in metrication. It was pointed out many times this afternoon and this evening that metric was made legal for purposes of trade in this country in 1871. Since that time we have had a dual system in this country in many respects.

As a cattleman, I have always talked about this. People in the medical business have always talked about cubic centimetres. That is a metric system of measure. We have always talked about kilowatts in terms of thousands or tens. When we sell our grain internationally we have people in the terminals that export the grains acting as arbitrators; employees of the Canadian Grains Commission. They are independent. They have always weighed our grain in metric measure. Therefore, what we have is a system of duality.

We are outlawing an imperial measuring system. That is very sad. It is almost like outlawing an old friend. It is a system of measure that has served this country extremely well. As was pointed out previously, we have a system of surveying, particularly in western Canada, second to none in the world. That system has served us very well.

I find it extremely sad that we should now be bringing in something by order in council, outlawing a system of measures and weights that has served us very well. This is extremely sad.

The hon. member for Parkdale-High Park (Mr. Flis) was castigating us for not being able to learn as quickly as his children, but I challenge the hon. member to go to a service station and tell us how much air he gets in his tires measured in kilopascals. Today I phoned the Metric Commission to ask what is a kilopascal. I would like to read it into the record. It is very interesting. A pascal is the pressure or stress which is produced when the force of one newton is applied to the area of one square metre.

I must confess when I heard the word "newton" I thought they said neuter. I am in the cattle business and neuter means a certain thing to me. I am sure there are a lot of people in this country who would like to see some of those people neutered who are pushing this metric business.

Some hon. Members: Hear, hear!

Mr. Mayer: We go further. In answering the question "What is a pascal?" we end up having to ask the question, what is a newton? Well, a newton is defined as the force which, when applied to a body having a mass of one kilogram, gives the body an acceleration of one metre per second squared. When we talk about pounds per square inch we talk about weight and a system of area, which is pounds per square inch. But we are converting to kilopascals.

● (2140)

Look at the situation around the world. Most of the countries which have gone metric are using a system which involves millibars. It makes no sense to me that we should begin to talk about kilopascals. Back in February I went to an airport and talked to a man there who collects the data from the weather station. I asked him: Why kilopascals? He said: I really don't know. I read it in millibars and then convert to kilopascals. To my mind, that makes absolutely no sense. It seems to me that when we change we should change to something that makes sense. In this case, a kilopascal means nothing. I am sure the hon. member for Parkdale-High Park would have a difficult time reading back to me or remembering what I said when I defined a kilopascal. Whether our children are learning it or not is not the point. My children are learning it and are going to feel comfortable with it. But because they are learning it I see no reason why whole generations ahead of them should

should immediately be forced to change to a system they are not comfortable with.

I listened to the hon. member for Crowfoot (Mr. Malone) making the case about auction markets. There are people in my constituency who have stated categorically that if the metric system comes into the auction markets they will stop bidding.

Some hon. Members: Oh!

Mr. Mayer: Hon. members over there may laugh but it is a serious business when decisions have to be made with split second timing involving, sometimes, thousands of dollars. It is no laughing matter; it is very serious and it affects the livelihoods of a large number of people in my constituency.

I should also like to talk briefly about the system of measuring temperatures. We are changing to degrees Celsius—in my area we say "senseless" and we say "so many degrees senseless" because that is about how much sense it makes to us. On this scale there are 100 degrees between boiling and freezing—100 gradations. On the Fahrenheit scale there are 180 degrees between boiling and freezing. I am in the vegetable business and when I store vegetables it is very important to have an accurate knowledge of the temperature at which those vegetables are kept. One degree "senseless" is almost two degrees Fahrenheit. I can stand a variation of one degree Fahrenheit but I cannot stand a one degree variation in terms of "senseless" because it could destroy a whole year's work. So in the process of conversion we have done some very foolish things and I urge hon. members opposite to consider some of the effects.

Even this afternoon, in committee, the Minister of Agriculture (Mr. Whelan) was talking about 28 bushels per hectare. This made no sense at all because in western Canada we have been told we are going to keep the acres, so at least he could talk about acres. But he talks about bushels per hectare which is a cross, a hybrid idea—I could use a much more unpleasant word about it, but I won't.

An hon. Member: A duality.

Mr. Mayer: Exactly. They are both wrong. I turn to the lumber business. We cannot now buy shingles to fit a good many roofs whose shingles were installed just a few years ago. We are told we shall not be able to buy a standard door, a 2 foot 8 inch by 6 foot 8 inch door. If such a door works well on its hinges I do not see why one of a different size should be considered to work better. So in future, if a door wears out it will not be possible to buy a standard size door to replace it; you will have to box in the whole area of the doorway so as to make the new door fit.

A constituent of mine runs a small store. He told me a few weeks ago that he would have to spend $3,000 on a new refrigerator this year and that if, in addition, he is forced to spend another $3,000 on a new scale it will be very hard for him to stay in business in his small town. What really gripes him is that his old scale will be of no use whatsoever. He can only put it in his backyard to let the garbage truck run over it so that it is taken to the dump. I would very much like to go on—

Mr. Deputy Speaker: Order. It being 9.45 p.m. it is my duty to interrupt the debate and put forward every question necessary to dispose of the proceedings before the House in accordance with Standing Order 58(9).

Is it the pleasure of the House to adopt the motion?

Some hon. Members: No!

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea!

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: Hear, hear!

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

● (2200)

The House divided on the motion of Mr. Huntington, which was negatived on the following division:

● (2205)

(*Division No. 7*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Blackburn
Blaikie
Blenkarn
Bradley
Cardiff
Clark (Yellowhead)
Coates
Cook
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Ellis
Elzinga
Epp
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Kempling
King
Knowles
Korchinski
Kristiansen
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Manly
Mayer
McCain
McDermid
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Patterson
Rae
Reid (St. Catharines)
Riis
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Shields
Siddon
Skelly
Speyer
Taylor
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young
Yurko—103.

Metric System

(Division No. 7)

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Buchanan
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guay
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Isabelle
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre

Messrs.

Loiselle
Lonsdale
MacBain
MacDonald (Cardigan)
MacEachen
MacGuigan
Mackasey
MacLellan
Malépart
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—131.

[*Translation*]

Madam Speaker: I declare the motion lost.

It being 10.13 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to the provisions of Standing Order 2(1).

At 10.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

(*See p. 1938*)

SUGGESTED AGENDA FOR THE MEETING OF FIRST MINISTERS ON THE CONSTITUTION OTTAWA, JUNE 9, 1980

1. Review of developments since the Constitutional Conference of February, 1979.

2. Principles for a new Canadian Constitution.

3. The process for achieving a new constitution including:
(a) the subjects to be given priority consideration;
(b) the arrangements for federal-provincial meetings and other work over the coming months.

A STATEMENT OF PRINCIPLES FOR A NEW CONSTITUTION

We, the people of Canada, proudly proclaim that we are and shall always be, with the help of God, a free and self-governing people.

Born of a meeting of the English and French presence on North American soil which had long been the home of our native peoples, and enriched by the contribution of millions of people from the four corners of the earth, we have chosen to create a life together which transcends the differences of blood relationships, language and religion, and willingly accept the experience of sharing our wealth and cultures, while respecting our diversity.

We have chosen to live together in one sovereign country, a true federation, conceived as a constitutional monarchy and founded on democratic principles.

Faithful to our history, and united by a common desire to give new life and strength to our federation, we are resolved to create together a new constitution which:

shall be conceived and adopted in Canada,
shall reaffirm the official status of the French and English languages in Canada, and the diversity of cultures within Canadian society,
shall enshrine our fundamental freedoms, our basic civil, human and language rights, including the right to be educated in one's language, French or English, where numbers warrant, and the rights of our native peoples, and
shall define the authority of Parliament and of the legislative assemblies of our several provinces.

We further declare that our Parliament and provincial legislatures, our various governments and their agencies shall have no other purpose than to strive for the happiness and fulfilment of each and all of us.

PRIORITIES FOR NEW CANADIAN CONSTITUTION PROPOSED BY THE GOVERNMENT OF CANADA ON JUNE 9, 1980

The time has come for the Government of Canada and the governments of the provinces to join together in the task of drafting a new Canadian Constitution.

As it enters upon that task, the Government of Canada is dedicated to a full review of all constitutional measures now applying to our federation.

The whole task constitutes a great enterprise and will take time to achieve. Not all of it can be accomplished at once, nor can we wait until all of it is done to demonstrate to the people of Canada that tangible progress is being made.

The Government of Canada believes, therefore, that intensive work should now begin on a list of items of particular priority to the people of Canada and to governments, with the understanding that some or all of these could well become the subject of early adoption as parts of the new Canadian Constitution.

The list of proposed items is this:

A statement of principles
A charter of rights, including language rights
A dedication to Sharing and/or to Equalization: the reduction of regional disparities
The patriation of the constitution
Resource ownership and interprovincial trade
Offshore resources
Fisheries
Powers affecting the economy
Communications, including broadcasting
Family law
A new Upper House, involving the provinces
The Supreme Court, for the people and for governments

The government also proposes that the leadership of the native peoples continue to be involved in the discussion of constitutional changes which directly affect the native peoples, in the context of the joint work on the item "Canada's Native Peoples and the Constitution". In addition, governments would pay special heed to representations from them on the items in the package set out above.

CALENDAR FOR FUTURE MEETINGS OF FIRST MINISTERS AND MINISTERS ON THE CONSTITUTION PROPOSED BY THE GOVERNMENT OF CANADA

(a) *June 17:* An organizational meeting of ministers would be held in Ottawa or at some other convenient location. At that time a schedule for consideration of particular items during the summer months would be worked out and agreed upon.

(b) *June 18 to July 6:* Governments would prepare for intensive discussions.

(c) *July 7 to July 25*:* Federal and provincial ministers and officials would remain in session (except for weekends) for three weeks, and provision would be made to continue for an additional week if necessary.

(d) *July 26 to August 24:* Break in negotiations to allow governments to consider or reconsider positions and to prepare for further intensive discussions. The provincial premiers meet in Winnipeg on August 21 and 22.

(e) *August 25 to August 29*:* Federal and provincial ministers and officials meet again.

(f) *August 30 to September 7:* Governments consider positions and prepare for first ministers conference.

(g) *September 8 to 12:* An open conference of first ministers in Ottawa to finalize agreements arising out of work under way, and to put in train a further work program.

*The dates could be altered provided the length of time devoted to discussion remained the same.

HOUSE OF COMMONS

Wednesday, June 11, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING

SATELLITE TELEVISION SIGNALS—EQUAL PRIVILEGES THROUGHOUT CANADA—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of recent statements by the chairman of the CRTC, confirmed by the Minister of Communications, that the government will prosecute certain organizations and individuals for distributing television signals received from satellites, but that other groups need not be concerned about prosecution, and since this obvious double standard allows some Canadians the right to choose freely what they watch on television while denying that freedom to others, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the government be directed to prepare amendments to the Canadian Broadcasting Act which recognize the global realities of modern communications technology and which will eliminate the present double standard by extending equal rights and privileges to television viewers in all parts of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HUMAN RIGHTS

VIOLATIONS IN TAIWAN AND SOUTH AFRICA—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the arrest and detention overnight in South Africa last month of the Reverend Tom Anthony of the Anglican Church of Canada, and in view of the arrest, detention and trial in Taiwan of Dr. C. M. Kao, general secretary of the Presbyterian Church in Taiwan, and other church leaders, I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That this House express its concern at the violation of human rights in Taiwan and South Africa, condemn the oppressive system of apartheid in South Africa with all its abuses of human dignity, and express its hope for the fair treatment and release of Dr. Kao and the other church leaders in Taiwan.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

OFFICIAL LANGUAGES

LANGUAGE TRAINING FOR HOUSE OF COMMONS EMPLOYEES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise, under the provisions of Standing Order 43, to ask for the unanimous consent of the House to move a motion relating to an important and urgent matter.

[*English*]

In view of the fact that recent events have made it more necessary than ever that members of Parliament be able to deliver services in both languages from their offices to Canadians, I move, seconded by the Conservative House leader, the hon. member for Nepean-Carleton (Mr. Baker) and, I hope, supported by members of the Liberal caucus:

That this House urges the committee on members' services to give positive consideration to making the language training presently available to members of Parliament available to the employees of members of Parliament.

[*Translation*]

Madam Speaker: Under Standing Order 43, such a motion requires the unanimous consent of this House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

FISHERIES

REQUEST THAT OPENING OF TUNA SEASON BE ANNOUNCED—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that Prince Edward Island is fast becoming the tuna capital of the world, and because many of the tuna charter boat operators are now being flooded with inquiries from all over the world that they cannot answer because they do not know when the tuna season opens, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House instruct the Minister of Fisheries and Oceans to immediately announce when the tuna season will be opened so that tuna charter boat operators will be able to accept reservations with some certainty.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AGRICULTURE

PRIORITY IN ALLOCATION OF ENERGY SUPPLIES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing importance under the provisions of Standing Order 43.

Whereas the federal government's Energy Supplies Allocation Board has recommended the removal of agriculture and, apparently, the essential transportation and processing requirements associated with the production of food from the high priority list it has held, whereas every Canadian and thousands of human beings in other parts of the world depend upon our food and animal production for survival, and whereas agriculture should never be relegated to a secondary position in any list of essential commodities, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House urge the government to place agriculture at the top of the high priorities' list.

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

Some hon. Members: Agreed.

Some hon. Members: No.

AIR CANADA

AIR FARES FOR DISABLED PERSONS AND THEIR ATTENDANTS—MOTION UNDER S.O. 43

Mr. Mike Landers (Saint John): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that disabled persons confined to stretchers requiring the use of two aircraft seats are forced to pay double fare, plus an attendant's fare, when travelling by Air Canada, I move, seconded by the hon. member for Moncton (Mr. McCauley):

That this House approves the principle that Air Canada tickets should be sold on the basis of one ticket for one person, and not on the number of seats necessary to transport that person and, where an attendant is warranted, the attendant should travel free or at a substantially reduced rate.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CRIMINAL CODE

REQUEST FOR AMENDMENT TO GIVE LOCAL POLICE JURISDICTION OVER PROSTITUTION—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

Since prostitution has reached crisis proportions in Vancouver's west end, degrading the quality of life for residents and encouraging many juveniles to believe that prostitution is a trendy activity, and since the courts have historically ruled that prostitution is a federal concern rather than a municipal one, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Justice immediately instruct his officials to amend the Criminal Code to give local police the authority to deal fairly and firmly with the problem of prostitution.

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

Some hon. Members: Agreed.

Some hon. Members: No.

THE ENVIRONMENT

PROTECTION FROM POLLUTION BY ACID RAIN—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the federal government has done nothing to substantially lower the volume of acid rain falling every day in Canada, and in view of this inability to protect the environment from certain death, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House unanimously support a motion to reduce acid rain produced in Canada to a level where it does not endanger lakes, rivers, forests and agriculture; and that this House endorse the reduction of American acid rain by calling for the education of U.S. tourists through placement of billboards and leaflets at every border crossing, in co-ordination with advertising on major American networks the horrible impact that American pollution is having upon our environment.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

REQUEST FOR TABLING OF METRIC OVERVIEW BOARD REPORT—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43, and given the urgent and pressing interest on both sides of this House of Commons in the still unreleased report of the metric overview board, which thoroughly documents the state of metric conversion in Canada and Canadians' feelings on this subject, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House give unanimous consent to have the metric overview board report, much of the content of which has been extensively quoted in recent debates in the chamber, tabled for the benefit of the House of Commons and the people of Canada.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

AIR TRANSPORT

JET AIR SERVICE FOR WESTERN MANITOBA AND EASTERN SASKATCHEWAN—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, under the provisions of Standing Order 43, I move a motion on a matter of urgent and pressing necessity.

The western Manitoba and eastern Saskatchewan areas have been waiting many years for jet air service. The main runway at the Brandon airport was lengthened and strengthened in the sixties and a new terminal built in the seventies in anticipation of this service. Now that PWA has applied to provide this service, and the Minister of Transport (Mr. Pepin) stated in a speech in Winnipeg on May 28 that improvement of transportation in western Canada was one of his top priorities, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the Minister of Transport use his good offices in urging an early decision by the Air Transport Committee on the PWA application to provide east and west jet service to the 180,000 people living in western Manitoba and eastern Saskatchewan.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

WILDLIFE

PROTECTION OF POLAR BEARS—REQUEST FOR LEGISLATION TO PROHIBIT SPORT HUNTING—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Since the Canadian government is currently increasing the quota of polar bears that can be killed for sport by hunters, considering that Canada is the only country that still allows sport hunting of this potentially endangered species, and because the Soviet Union and Norway have banned hunting of these animals, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this government show compassion and concern in protecting these animals, because of their small numbers and the important symbolic role they play in representing Canada's north, and immediately introduce legislation to ban sport hunting of polar bears in Canada's north.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

CANADIAN WHEAT BOARD

COMPENSATION FOR FARMERS DUE TO EMBARGO ON SHIPMENTS TO U.S.S.R.

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to ask the Minister of Transport a question in his responsibility for the Canadian Wheat Board.

I am sure the minister is aware of the severe drop in price received by farmers since the embargo placed on shipments to the U.S.S.R. by the previous government, and continued by this government, because of the unconscionable attack by the U.S.S.R. on Afghanistan. Can the minister explain to me, other members of this House and the farmers of western Canada the plans he has to compensate them for this loss of income?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am quite aware of the fact that following the U.S.S.R. aggression in Afghanistan, the Canadian government at the time took action to restrain Canadian exports. With respect to the degree of compensation that this might justify, which is an acceptable principle inasmuch as reduction in export and price can be directly related to the restraint of export to the Soviet Union, this is constantly being assessed by the government.

It is too early now, because there is still a month and a half to go before the end of the season, to find out exactly what the effect of the government's action has been. However, as I said, this is constantly being monitored. There will be a cabinet paper in a few weeks, at the end of the grain season.

Mr. McKnight: In light of the minister's acceptance of the principle of compensating farmers in western Canada, and in light of his policy and the policy of the previous government to monitor continually the change in price, I am sure the minister realizes that since January the farmers of western Canada have suffered a reduction of approximately 75 cents per bushel for their grain. Can the minister tell me how many reports he, his assistant in the other place, or the Minister of Industry, Trade and Commerce have received to date?

Mr. Pepin: On what, may I ask?

Mr. McKnight: Madam Speaker, I would like to draw to the attention of the minister a statement made on January 9 by his assistant in the other place, who said that farmers must be compensated for their loss of income and a monitoring policy must be set up to arrive at that figure.

Can the minister tell me, the members of this House and the farmers of western Canada whether anyone has monitored this situation? Has his department, or the Department of Agriculture, monitored it? If they have not monitored it, why have they not answered questions put to them, in light of the 75-cent reduction per bushel of grain for farmers of western Canada?

Mr. Pepin: Madam Speaker, the monitoring system is obviously a collective action. This is done through the grains group, which is a unit that belongs to Agriculture, Transport, and Industry, Trade and Commerce. It is being done there. Before coming to a conclusion, obviously all the facts must be put together. As I said a moment ago, it is too early now, because sales may be made to countries other than the U.S.S.R. in the coming month and a half, to come to that conclusion.

• (1420)

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a supplementary question for the same minister on the same topic. The fact is that prices have dropped approximately 75 cents a bushel since January 4, when the embargo was put in place. That is a fact; it does not need to be monitored.

In these circumstances, why was the Canadian Wheat Board not represented at a meeting in Brussels on May 19 to discuss the subject, among many others, of the embargo which was placed on shipments of grain following the invasion of Afghanistan? Seventy-five cents a bushel has been lost. Is this not a sufficient basis upon which the government could go ahead with a policy of ensuring that the farmers of western Canada do not carry the full price-tag for Canada's foreign policy?

Mr. Pepin: This decision was made by the previous government and it is supported by the present government; there is no doubt about that. Obviously, the previous government knew that the decision made last January would have certain effects on volumes and on prices. That is why they put forward the idea of compensation.

Mr. Clark: What about Brussels?

Mr. Pepin: Thank you very much. I will deal with these points one after another. I thank the Leader of the Opposition for his advice. On this subject, there was a meeting of exporters in Brussels in May and the Canadian government was represented there by the head of the Grains Group, which is not abnormal in these instances.

Mr. Mayer: I am concerned because the Canadian Wheat Board should have been at that meeting in Brussels, not necessarily a government official. Perhaps I should turn to the Minister of Agriculture, since the responses we have had from the Minister of Transport in relation to his responsibilities in this House on behalf of the Canadian Wheat Board have been totally inadequate.

In the light of a Statistics Canada report today showing that farm income fell drastically in the month of April, can the hon. gentleman take it upon himself to see that this 75 cents a bushel which has been lost by western grain producers will be forthcoming to them, in line with the policy now adhered to as a result of the statement by the Minister of Transport?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I, too, am waiting for the paper to which the Minister of Transport referred.

AMOUNT OF COMPENSATION TO BE PAID

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Prime Minister. In light of the commitment he has made to the Canadian grain growers that they will be compensated for losses due to the embargo, and since the Saskatchewan Wheat Pool has estimated these losses at 700,000 tonnes, and bearing in mind that the pre-embargo price was $233 a tonne, is the Prime Minister prepared to give the House the assurance that 100 per cent compensation will be made to the farmer, involving an amount of approximately $163 million?

Right Hon. P. E. Trudeau (Prime Minister): It would seem that this question is directly linked to the answers given by the minister who replied to the earlier questions. We shall have to wait to see what the facts are, what has caused lower prices, and what the volume is, before reaching a final conclusion as to amounts.

Mr. Hovdebo: A further question to the Prime Minister. In the last few days, the ministry of fitness and amateur sport has indicated it would give $1.5 million to assist Olympic athletes. In order to establish some kind of fairness, would the Prime Minister indicate whether he will get from the cabinet a commitment that the farmer will not be the only person to carry the ball for the foreign policy of Canada?

• (1425)

Mr. Trudeau: Madam Speaker, I am not sure I see the connection between the two questions. The government has had an ongoing policy of assisting athletes in Canada, particularly in the area of amateur sports. Of course, we will continue to do that no matter what happens in Moscow. In the same way, we have assisted western grain farmers in many ways over the years and we will continue to do so.

Mr. Hovdebo: Madam Speaker, I have a further question for the Prime Minister. I have here an article which states—

Some hon. Members: Question.

Madam Speaker: Order, please. Will the hon. member just ask his question very simply.

Mr. Hovdebo: The minister has stated that $1.5 million was given due to the inability of those people to go to Moscow. On the basis of that, would the Prime Minister give us some indication of whether he agrees that in fairness we should give the same kind of assistance to farmers?

An hon. Member: Why should he sell their wheat?

Mr. Trudeau: Madam Speaker, the commitment is there to both groups. As the minister pointed out, we are waiting to ascertain the facts before determining quantum.

Oral Questions

EMBARGO ON GRAIN SHIPMENTS TO U.S.S.R.—INTENTIONS FOR NEXT CROP YEAR

Mr. Jack Murta (Lisgar): Madam Speaker, my supplementary is to the Minister of Transport who answers for the minister responsible for the Canadian Wheat Board. There is one other dimension to this whole question that has not yet been raised today; that is, the whole question of whether Canada is prepared to continue the embargo that we entered into at the first of the year.

The minister may know there is concern at the present time by farm groups in western Canada that maybe they have not been treated as fairly as they could have been. With excess capacity developing in the transportation system, if we do continue the embargo into the next crop year we could, in effect, find ourselves out of sales we might have been able to make if we had not followed this line. Has the government given any consideration to what it intends to do after the end of this crop year?

Hon. Jean-Luc Pepin (Minister of Transport): Very much, Madam Speaker, because obviously we have to decide now if we are going to continue the restraint action in the next crop year. Nobody likes the restraint situation we are in now; everybody would love to sell a lot more. But the decision of January last was made because of political circumstances; that is, the invasion of Afghanistan.

Obviously, the great eagerness of everybody related to this industry to export more and more, to the Soviet Union in particular, must be assessed in the light of political events that took place originally to justify the restraint period. That is going on now in the cabinet, and before the end of the crop year, presumably, a decision will be made as to whether the restraint period should continue.

Mr. Murta: Madam Speaker, is the minister saying to the House that the government, through the cabinet, is not prepared to, or will not make any changes in policy when the new crop year arrives after July 31? Is the decision to continue well into 1980, and possibly 1981?

Mr. Pepin: Madam Speaker, my understanding is that the restraint period was for the duration of this crop year. As we will be confronted with a new crop year on August 1, presumably a decision will have to be made on whether the restraint period should continue into the new crop year: it is elementary.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF EXECUTIVE COUNCIL OF HOUSE OF KEYS, ISLE OF MAN

Madam Speaker: Order, please. I would ask hon. members to note the presence in our gallery of Mr. Edward Clifford Irving, Chairman of the Executive Council of the House of

Keys, who is visiting us with a delegation of parliamentarians from the Isle of Man.

Some hon. Members: Hear, hear!

PRESENCE IN GALLERY OF PREMIER OF PRINCE EDWARD ISLAND

Madam Speaker: I ask all hon. members also to note the presence in our gallery of the Hon. Angus MacLean, a former member of this House, whom I am very glad to welcome, and Premier of Prince Edward Island.

Some hon. Members: Hear, hear!

* * *

● (1430)

ENERGY

OPEC DISCUSSIONS—AVAILABILITY OF FOREIGN OIL

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It relates to the OPEC talks of this week, reports of which are somewhat confusing; but it does appear clear that there will be a cutback in production this year by OPEC countries.

Given the unhappy fact that Canadians, particularly those in eastern Canada, will be even more reliant this year on foreign oil, is the minister able to inform the House whether the OPEC cutbacks in production will adversely affect the availability of foreign oil upon which that part of the country is so reliant?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I noted the comments of the hon. member at the beginning of his question when he said that the reports appear to be rather confusing. I would suggest that we wait for formal communication of the official conclusions of this session to find out what the real conclusions of the meetings have been. As the hon. member knows, there are various reports coming from various countries, and it is rather hard to assess whether there has been any agreement or anything of substance so far as prices or supply are concerned.

So far as supply is concerned, I again remind the House that we have in this country not only a one-price policy, but also a policy of ensuring supply to all parts of Canada. Our policy is to the effect that no area of this country, whether it be Atlantic Canada or anywhere else, would be put at a disadvantage as compared to any other part of this country, whether in terms of price or in terms of supply.

Mr. Jarvis: I appreciate the minister's comments about supply, because I was going to ask him the following question in any event. Given the probability of cutbacks on the one hand and, on the other hand, increased Canadian consumption and reliance on foreign oil—both of which factors would operate to trigger the provisions of the Energy Supplies Emergency Act—and given the speculation which was evidenced earlier in the question period today about priorities being considered by the allocation board under that act, would the minister take the opportunity this week or next, by way of either a statement on motions or the tabling of documents, to indicate to the House succinctly and clearly the principles and guidelines which govern the board members' deliberations in determining the priority of energy allocation supplies?

Mr. Lalonde: Madam Speaker, I have heard representations about the priorities accorded to various sectors by the Energy Supplies Allocation Board. I want again to remind the House and the country that the government has not yet received those recommendations from the board. They are, at best, the conclusions of that board and those conclusions have been finally reached. I understand that the draft regulations are still not completed. Before being approved by the government, they would first have to be received and then we will certainly give them very, very careful consideration. I want to reassure—particularly the farming sector—that if the reports we have are to the effect that agriculture would be given a lower than first or top priority, it would be definitely a matter that this government would want to consider very carefully, bearing in mind the great importance of the farming sector to the whole Canadian economy.

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[*Translation*]

INDUSTRY

LAY-OFFS IN STEEL INDUSTRY—DISCUSSIONS WITH COMPANIES ON IMPORTATION OF ORE FROM UNITED STATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce concerning the massive lay-offs which have occurred in the steel industry. Could the minister tell the House, since my colleague from Churchill asked him questions on this issue on May 12, whether he has had the opportunity to contact again the executives of the Canadian steel industry about the fact that 45 per cent of the iron ore comes from the United States and not from Canadian mines?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, through my officers I have contacted the executives of these companies. We are trying to set up a meeting with them in which I will personally take part with the support of the Minister of State for Mines, and I will try to find a solution to what is a crucial problem for the workers in this important sector.

Mr. Rae: Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. Given the fact that there is talk of not only lay-offs in Quebec but also of closing four iron mines in northern Ontario, could the minister tell the House whether the policy of the Government of Canada should not be to make the Canadian steel industry use Canadian

instead of American resources, especially now when unemployment in the Canadian industry is so high?

Mr. Gray: Madam Speaker, the government's policy is still to make use of our natural resources in this country. We received the support of a majority of Canadians for this specific reason, namely, our commitments concerning that important national policy.

* * *

[*English*]

ENERGY

OIL—APPLICABILITY OF BLENDED PRICE TO EASTERN CANADA

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my questions are supplementary to those put by my colleague, the hon. member for Perth, to the Minister of Energy, Mines and Resources. While there might be confusing reports coming out of the OPEC meeting—we might all agree on that—we would also agree that there is one certainty, that is, that the price of oil will not go down, regardless of any confusion in the reports and in today's papers. Since that is pretty well the consensus, I should like to ask the minister this question as he searches for a blended price like the knights of old searched for the Holy Grail.

The minister tells Atlantic producers and consumers that there will be no oil import subsidy. Can he tell the House that, with his blended price, the consumer in eastern Canada would not have to bear by himself or herself the increases that are bound to come out of any OPEC meeting; or will the government get away from the noxious notion of a blended price which would unfairly discriminate against all of us who live in eastern Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am pleased that the hon. member gives me the opportunity once more to clarify the misunderstanding that might still exist in his mind on this particular issue. This allows me to reassure the people in Atlantic Canada, as I am sure he will when he realizes it, that under any arrangement at which we arrive we will continue in this country our one-price policy for oil.

It is a complete misreading and a complete misinterpretation of the facts to pretend that the people in Atlantic Canada will be in any way, shape or form discriminated against as compared with people in the rest of Canada. People in Atlantic Canada will receive from this government exactly the same fair treatment that all Canadian consumers will receive.

Some hon. Members: Hear, hear!

Mr. Nowlan: Madam Speaker, are we to understand then from the minister's reply that a blended price, if it ever comes, will not bash those in Atlantic Canada, primarily those from the provinces of Prince Edward Island and Nova Scotia who need oil for electrical generation? Unless there is an oil import subsidy, the electrical rates of people in those two provinces could very well be double those they pay today? Can we be reassured that the oil import subsidy, regardless of anything else the minister does with the blended price, will continue so far as consumers in Atlantic Canada are concerned?

Mr. Lalonde: Again I think the hon. member is confusing many issues in this question. What is clear is that there will be a single price for oil in this country. We will continue this policy, and the people in Atlantic Canada will not be put at a disadvantage compared to people in the rest of Canada. Now the hon. member wants to go further, and asks whether there will be some kind of special support for the people of Atlantic Canada—for instance, with regard to oil-generated electricity.

I have already indicated to my provincial colleagues that I have this question very much in mind. In the discussions that I am having with the producing provinces, I hope to arrive at a resolution where the federal government will end up with sufficient funds to take care of situations like this. I have indicated that to my provincial colleagues.

• (1440)

COST OF ELECTRICITY IN EASTERN CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. If we understood him correctly, he will not mind rising in his place and giving Atlantic Canadians the assurance that the cost of domestic electricity in that part of this country will not get any further out of line than it is today.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Out of line with what, Madam Speaker?

Some hon. Members: Oh, oh!

Mr. Forrestall: Madam Speaker, I find it appalling that the Minister of Energy, Mines and Resources is not aware—

Some hon. Members: Oh, oh!

Madam Speaker: Order please. The hon. member for Thunder Bay-Atikokan.

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FINANCE

CONTRIBUTION OF CHARTERED BANKS TO GENERAL REVENUE OF CANADA

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, my question is for the Minister of Finance or the Minister of State for Finance. Is the minister aware of the fact that under previous legislation the chartered banks of Canada contribute an amount to the general revenue of Canada equivalent to the cost of operating the office of the inspector general of banks, and that this situation creates at least a potential—

Some hon. Members: Question.

Mr. McRae: I have already asked the question.

An hon. Member: Then sit down.

Madam Speaker: Order, please.

Mr. McRae: I have asked my question.

Madam Speaker: Would the hon. member ask his question now.

Mr. McRae: Madam Speaker, I would ask the minister if he is aware of this. Also, is he prepared to introduce amendments to prevent this potential conflict of interest?

An hon. Member: Did you go to caucus this morning?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, of course I am aware of that situation. The hon. member must know, as all his colleagues do, the great objectivity of the inspector general of banks and the interest he has always demonstrated for all Canadians. This situation raises no problem at all as far as I am concerned.

* * *

[*English*]

AIR TRANSPORT

RESERVE FUEL CARRIED BY AIR CANADA AND CP AIR—SAFETY CONSIDERATIONS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Transport. When permission was first granted to lower fuel reserves required by Air Canada and CP Air in the early 1970s, it was specifically intended to be on a trip basis, taking into consideration en route weather, terminal weather, runways, etc.

Will the minister indicate whether his department in fact has approved blanket safety reductions in the past few years, and will he ensure that those original safeguards are being enforced?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, do these safeguards concern the carrying of fuel in airplanes?

Mr. Ellis: Yes.

Mr. Pepin: If that is the question, indeed there is a situation in which Air Canada and CP Air are privileged in the sense that they have to carry only 30 minutes more fuel than the fuel needed to go from the point of departure to the point of arrival, as opposed to other companies which have to carry enough fuel to fly from the point of arrival to a subsidiary point. So there is a difference. The situation was justified until now.

Mr. Crosbie: There is no fuel like an old fuel.

Mr. Pepin: The department is now conducting an inquiry among air controllers to find out how many instances there have been of the kind reported in the papers a day or two ago. So the department is going to find out if this is a recurring event; and, if so, they will act accordingly.

Mr. Ellis: Madam Speaker, I have a brief supplementary question. I would not advocate that the 30-minute reserve be taken away from Air Canada and CP Air but, rather, that it be enforced.

Mr. Crosbie: Increased.

Mr. Ellis: It should be left in such a way that there is no question in anyone's mind that they are perhaps shaving those 30 minutes. Since it is so important, would the minister perhaps in the very near future make a statement on motions concerning the enforcement of this 30-minute reserve?

Mr. Pepin: Yes, Madam Speaker. But I said at the end of my answer that this is exactly what will be done. The officials will find out to what extent the regulation is being observed, and how many instances of the same situation have taken place, that is, when an airplane, because of a limited fuel reserve, had to get priority status to land at a certain airport. This will be reported and I will make a little sign to my friend when I have the report so that he can ask me another intelligent question as he has today.

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EXTERNAL AFFAIRS

INTERNATIONAL DEVELOPMENT—IMPLEMENTATION OF BRANDT REPORT RECOMMENDATIONS

Mr. Douglas Roche (Edmonton South): Madam Speaker, I should like to ask the Prime Minister the reason for his visit to certain European countries following the Venice Summit. I think his visits to the Vatican and England are self-explanatory, but I refer specifically to his visits to Sweden and Norway.

Is it the intention of the Prime Minister to discuss with Scandinavian leaders the north-south international development question, particularly the report of the Brandt commission, which indicated specifically that the future of mankind is hanging upon resolution of the international development question, and the principal recommendation in the report of the Brandt commission that there be a world summit of north-south leaders of about 25 in number?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I expect that subject will be among those discussed with the prime ministers of Sweden and Norway. Of course, there will be many other reasons for the visit. In the case of Norway, we will be discussing certain subjects relating to NATO. In the case of Sweden, I will be returning an official visit made here by the Swedish prime minister some years ago.

An hon. Member: To discuss neutrality.

Mr. Trudeau: As the hon. member said, in the cases of London and Rome, in a sense the visits speak for themselves.

Mr. Roche: Madam Speaker, in his discussions with the world leaders whom the Prime Minister will be seeing, will he discuss the four emergency provisions set out in the report of the Brandt commission dealing with resource transfers, an international energy strategy, expanded food production, and a broadening of international financial institutions?

Will those four emergency provisions set out by the Brandt commission form the basis of the Canadian position to be taken and advanced at the special session of the United Nations on development to be held in August?

Mr. Trudeau: Madam Speaker, I commend the hon. member on his interest in this matter. I can assure him that it is shared by the government. Apart from the occasion of the summit in Venice where the north-south subject will be very high on the agenda, and the other bilateral visits I mentioned, I would inform the member—because of his interest—that there have been other approaches made relative to the Brandt commission. For instance, the subject was discussed at some length, first in correspondance and then in the bilateral meeting we had with the President of Mexico.

We have been looking at the proposal of the Brandt commission for a mini-summit and possible dates in Venice for that summit. Canada has been asked to indicate tentatively if it would be prepared to participate. The government is very interested in this subject. Either the foreign minister or myself would welcome any occasion to exchange ideas with the hon. member or any other member of the House who would wish to do so.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF EDUCATION

Madam Speaker: I ask hon. members to join with me in recognizing the presence in our gallery of a very distinguished visitor in the person of the Minister of Education for the province of British Columbia, Mr. Brian Smith.

Some hon. Members: Hear, hear!

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CRIMINAL CODE

PROVISIONS RESPECTING IMPORTATION OF MARIJUANA—GOVERNMENT CONSIDERATION OF PENALTY UPON CONVICTION

Hon. Bud Cullen (Sarnia): Madam Speaker, my question is directed to the Minister of Justice and Minister of State for Social Development. Last week, the former Ontario ombudsman and a former Conservative member of this House, the Hon. Arthur Maloney, raised a question about the penalty that is imposed upon, particularly, young people for illegal importation of marijuana into this country—a minimum sentence of seven years.

• (1450)

I am wondering if the minister is considering looking at this particular section—not with regard to hard drugs, of course, but with regard to marijuana—to determine if the penalty might be left to the discretion of the courts.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we are looking into the matter at this time. We indicated in the Speech from the Throne that we would be making some changes in this area. I hope to do so in a few weeks from now.

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CANADIAN NATIONAL RAILWAYS

INTENTION TO ABANDON TRACK IN NOVA SCOTIA—GOVERNMENT POSITION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I address my question to the Minister of Transport. It is with regard to the announced intention of Canadian National Railways to abandon about 55 miles of track in the Oxford subdivision of Nova Scotia. The minister will recall that I wrote him on this matter on May 26, outlining the adverse economic effects of this proposed abandonment.

Will the minister now say for the record that he supports the retention of this Canadian National Railways' line system, without prejudice necessarily to whatever the CTC hearings may disclose?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if I were to do as the hon. member suggests, one would be questioning the usefulness of the CTC.

Mr. Crosbie: Agreed.

Mr. Pepin: It seems to me that the CTC is there to investigate such situations and make decisions thereon. Then, under sections 25 and 64 of the transportation act, the minister or the government can change these decisions or leave them alone.

Mr. MacKay: Madam Speaker, does the minister not perceive that this is symptomatic of the mindless support that the succession of Liberal transport ministers have given to the CN, which has allowed these railways to deteriorate to the point where, for example, the line to which I have referred can only be used in some sections by trains travelling at five miles per hour?

Will the minister not use the authority of his office, without prejudice to the CTC, to investigate this matter to determine what can be done under these conditions and under conditions on other railway lines which have been allowed to deteriorate to this deplorable state?

Mr. Pepin: Madam Speaker, it is a question of different points of view. Mine is that this support is indicative of the respect this government has for regulatory institutions in Canada.

Mr. Clark: You certainly do!

* * *

FREEDOM OF INFORMATION

DATE LEGISLATION WILL BE INTRODUCED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to direct a question to the Secretary of State having to do with the freedom of information legislation which was mentioned prominently in the Speech from the Throne.

Would the Secretary of State report on the progress of that legislation which is within his responsibility, where it stands at the moment, and whether we are likely to have introduced in the House, at least before the summer adjournement, a freedom of information bill?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I am pleased to reply to the hon. gentleman and inform him that we have taken a very hard look at the bill which he introduced when he was the government House leader. We have had an opportunity to examine many letters of criticism—I do not mean that necessarily in a negative sense—which were brought to my attention following the tabling of that bill by the hon. member.

I have also had the opportunity to review many of the comments made by provincial governments. I have requested the provincial governments to forward to me any other comments they wish to bring to my attention before we finalize the bill. In the meantime, I expect to place a position paper before my colleagues within a week or so.

Mr. Baker (Nepean-Carleton): I do not want to ask the minister to tell tales out of school, but could he inform the House whether he or the government have settled upon whether in principle the government supports the position of an independent judicial review? Could the minister indicate to the House today whether that is the case? It would make me completely happy if he were to answer in the positive.

Mr. Fox: Madam Speaker, perhaps I should get back to an initial statement and recall to the hon. member that the government made a commitment to introduce freedom of information legislation in the Speech from the Throne. We intend to introduce that legislation before the adjournment of this session if at all possible. We are, indeed, committed to the notion or concept of an independent review of decisions made concerning access to information.

FISHERIES

CLOSING OF FRASER RIVER, B.C., FISHERY—REQUEST FOR EXTENSION OF SEASON

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Prime Minister or to the member responding for the Minister of Fisheries and Oceans. It has to do with the west coast fishery.

In view of the early closing of the Fraser River this year, which has meant that the Fraser gillnetters have had only six fishing Mondays, compared to 17 last year, and that there is great hardship resulting from this situation, could the minister tell us whether the requested two subsequent Monday openings have been considered by the Department of Fisheries, and whether they are ready to make a response to this request?

I do not think it is fair that the gillnet fishermen should be required to bear the brunt of the conservation measures. I believe the sport fishery and the trawl fishery should also share that burden.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, the reason the fishery was closed in the first place is that we wanted as much as possible to conserve the salmons stocks of British Columbia. I am not aware of such a request being made to the minister. I will bring the hon. member's question to his attention and have an answer for the hon. member as soon as possible.

Mr. Rose: Madam Speaker, there is a certain urgency about this matter because there is the possibility that the outrage and anger resulting from this hardship may cause some fishermen to defy the law.

Would the parliamentary secretary also convey to the minister the need for some kind of compensation for these fishermen who are facing such great economic hardship, along the lines of the Atlantic salmon compensation which was offered to the Atlantic salmon fishermen? It is very foolish for the government to expect one small fishery to bear the brunt of the economic hardship and the responsibility for conservation, when the government has done very little about habitat destruction and overfishing often by foreign fleets.

Mr. Henderson: Madam Speaker, I will bring the question of the hon. member to the minister's attention.

* * *

ENERGY

NATURAL GAS PIPELINE TO ATLANTIC COAST—IMPORTANCE TO NEW BRUNSWICK

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I would like to direct my question to the Minister of Energy, Mines and Resources. In view of the confusion arising out of the meeting of the OPEC oil ministers, and the uncertainty which it raises in the minds of eastern Canadians, would the minister take this opportunity to impress upon the premier and government of New Brunswick the

necessity of proceeding with a gas pipeline to the Atlantic coast and try to overcome their objections, which may be less with regard to the environment than with their mismanagement of the Pointe Lepreau nuclear project?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I take note of the representations made by the hon. member. I would like to point out to him that the extension of the gas pipeline to the Atlantic coast is a matter which the government views with keen interest. As for the position of New Brunswick, I have already spoken with the minister of energy of that province and I hope I can discuss this question with him again in the near future. I want to assure my hon. colleague that his views will be brought to the attention of the government of New Brunswick.

* * *

[*English*]

NUCLEAR ENERGY

INQUIRY RESPECTING NUCLEAR POLICY—REQUEST FOR TABLING TERMS OF REFERENCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. A few days ago, the Prime Minister indicated that the minister would be conducting an internal inquiry with respect to Canada's nuclear policy. Would the minister table in the House of Commons at an early date the terms of reference of this inquiry?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as was pointed out by the Prime Minister, we are now reviewing the nuclear policy of our country. I will be pleased to give further details on our review policies to the hon. member. But we did not set up any formal task force with specific terms of reference. If the hon. member wants to have further details, I will be pleased to give him some.

[*English*]

Mr. Hnatyshyn: Madam Speaker, in light of the fact that the Prime Minister in his statement in the House made a commitment that there would be an opportunity for public input, could the minister enlighten the House as to the plans being made on how people can make representations to the department and obtain information with respect to this inquiry, so there will be no question that the people of Canada who are interested in this topic will be deprived of that right?

● (1500)

[*Translation*]

Mr. Lalonde: Madam Speaker, I am grateful to the hon. member for his second question which is somewhat clearer. Surely there will be an opportunity for public input. A number of documents are now being drafted. They should be made public as soon as they are completed. They deal with a series of nuclear industry-related issues. When they are made public, I think interest groups will be able to make representations. The best forum will have to be set up to make possible truly well structured and organized exchanges between the government and the people who are very much interested in the topic.

* * *

LOTTERIES

GOVERNMENT INTENTIONS ON REINSTATEMENT

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the right hon. Prime Minister. A little over two months ago, his colleague the minister responsible for amateur sports indicated the government's intention to reconsider the possibility of lotteries. The Prime Minister already confirmed this intention when he replied to a question. In view of the good will which the Prime Minister has demonstrated recently toward a serious reassessment or division of powers with the provinces, and in view of the fact that the provinces have exercised this power for a year already, could the Prime Minister indicate to the house today whether he has abandoned his plan to recuperate this lottery?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in the absence of the minister, I could not say anything more to the hon. member. I know that the minister meant to seek the advice of a number of provincial ministers concerning this, but I have not yet been made aware of his findings.

INQUIRY WHETHER PRIME MINISTER HAS SOUGHT LEGAL ADVICE

Hon. Roch La Salle (Joliette): Madam Speaker, in view of the fact that it has even been stated in Quebec City that a decision of the federal government could be considered as a breach of contract, has the Prime Minister considered getting a legal opinion or asked the Minister of Justice to obtain such expertise, if not will he do so and will he make it public?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know if the minister has effectively asked that such a review be made. I would only remind the member for Joliette that a contract had been signed between Mrs. Campagnolo, the then minister responsible for lotteries, and the ten provinces. That contract was amended. Will the ministers also agree to change this one?

[*English*]

FINANCE

DEBATE ON APRIL ECONOMIC STATEMENT OF MINISTER

Mr. Girve Fretz (Erie): Madam Speaker, I have a question for the Minister of Finance, but in his absence I direct it to the right hon. Prime Minister. We remember that infamous day in April, when the Minister of Finance tabled a document which we on this side declared to be a budget.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Fretz: The Prime Minister has walked out, Madam Speaker, while I am directing a question to him. I wonder if someone on that side of the House would answer this question. Is the Prime Minister, or whoever will answer in his place, aware of a symposium being held in Ottawa this week entitled "A Review of the Spring, 1980, Budget" which will be addressed by three highly-placed government tax officials and the minister's parliamentary secretary? The appearance of these august persons gives further credence to our belief that the April document was, indeed, a budget.

Some hon. Members: Question.

An hon. Member: It is past three o'clock.

Mr. Fretz: In light of these facts my question is, will the Prime Minister allow the House to have the budget debate which has been so long denied and delayed?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I think that the hon. member has made many assumptions to draw a conclusion which has long since proved to be false. The speech made by the Minister of Finance during the throne speech debate allowed him to table a ways and means motion providing for the disposal of various measures which had been on the table for a long time but had nothing to do with a budget speech.

* * *

[*English*]

PRIVILEGE

MR. McKENZIE—ENGINE FAILURES ON AIR CANADA AIRCRAFT—ANSWER OF MINISTER OF TRANSPORT DURING QUESTION PERIOD

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I have a question of privilege regarding the answers that the Minister of Transport provided to the House yesterday to my questions about the 747 Air Canada aircraft that experienced engine failure last Saturday. From all news reports and all the information I have received, it appears that three engines failed and not two, as the minister stated yesterday. I wonder if the Minister of Transport could clarify that for the House.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the mistake is mine. I made it because of something I had heard to the effect that it was two engines. I apologize: it was three engines.

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POINT OF ORDER

MR. NYSTROM—S.O. 43 MOTION REGARDING LANGUAGE TRAINING

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my point of order arises from the motion under Standing Order 43 which I presented to the House today. I hesitate to raise it because I do trust Your Honour's judgment on this but I have had a chance to check with a number of members on both sides of the House and I have not been able to discern whether somebody actually did say no to that motion. I am speaking of the motion under Standing Order 43 which referred to extending language training to employees as well as members of the House. I wonder if Your Honour would consider putting the question again because a number of us have been unable to discover who said no.

Madam Speaker: Order, please. The hon. member may want to bring back his motion under Standing Order 43 on another day, but it was clear to me today that someone in this House shouted no. Therefore, I knew that could not have the unanimous consent of the House to put the motion.

* * *

PRIVILEGE

MR. FRETZ—REQUEST FOR RESPONSE TO QUESTION AND APOLOGY FROM PRIME MINISTER

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a question of privilege. A few minutes ago we saw a display in this House by the right hon. Prime Minister (Mr. Trudeau). I realize I am new in this House, having been here only one year, but I believe new members look up to and respect those members who have been here for a number of years, such as the right hon. Prime Minister. For the Prime Minister to walk out on any member when a question is being posed is to me the height of irresponsibility and arrogance.

Some hon. Members: Hear, hear!

Mr. Fretz: Therefore, Madam Speaker, I want it recorded that I have raised this question of privilege. I believe that the right hon. Prime Minister should get back to me with a response and an apology.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am informed that the right hon. Prime Minister (Mr. Trudeau), who usually answers exhaustively and politely to all questions put to him, had an urgent appointment. It was after three o'clock when the hon. member asked his question and the hon. member himself specified that his question was directed to the Minister of Finance (Mr. MacEachen). As the Minister of Finance was absent, he wanted to direct it to the Prime Minister. However, as the Minister of State for Finance (Mr. Bussières) is here, he gave him a complete and exhaustive answer. I think that the hon. member is absolutely ill-advised to complain about the Prime Minister's attitude who, once again, Madam Speaker, had to leave the House because of a very important appointment he had at three o'clock, which means after the oral question period.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): On that question of privilege, Madam Speaker, it should be clear to the House of Commons and certainly to the Prime Minister (Mr. Trudeau) that it is Madam Speaker and not the Prime Minister or any other minister, no matter how full of self-importance he may be, who decides when this question period is over.

Some hon. Members: Hear, hear!

Mr. Clark: The question period is not over until Madam Speaker decides it is over. That is a long-established practice in this House of Commons.

What my colleague the hon. member for Erie (Mr. Fretz) has outlined is that there has been a practice generally of courtesy and respect for the rights of private members of Parliament and particularly, perhaps, for the rights of members who have come relatively recently to this House.

The Prime Minister has often spoken of his desire to have this House function effectively. Madam Speaker, he is going to have to prove that desire by his actions. He does not prove a desire to have the House of Commons function effectively when he walks out on a member of Parliament who is posing a question to him which is important to that member of Parliament.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): On the same question of privilege, Madam Speaker, I notice that the hon. Leader of the Opposition (Mr. Clark), not having risen on a question during this question period, has found this excuse to raise this red herring.

Some hon. Members: Shame.

Some hon. Members: Hear, hear!

Mr. Lalonde: The Prime Minister (Mr. Trudeau) was in the House from two o'clock to three o'clock, when he had an urgent appointment. The question was raised by a private member and it was answered by a minister of the Crown who has responsibility for the Department of Finance. Everything was done according to the rules and with full propriety. I submit that the remarks of the Leader of the Opposition are completely objectionable.

• (1510)

Madam Speaker: Before I hear the hon. member for Thunder Bay-Atikokan (Mr. McRae) on another question of privilege, I will rule on the question of privilege raised by the hon. member for Erie (Mr. Fretz) who, of course, knows that this is not a question of privilege but merely a grievance that he has expressed. He is entitled to have grievances about the manner in which questions are answered in this House, but the Chair has no authority, of course, to determine the quality of the answers or whether the question should be answered or not. The question was asked.

May I remind the member that no minister is obligated to answer a question if he does not feel that he wants to answer it. In this case, however, no one has been prevented from functioning, because an answer has been given to the member's question by someone who is responsible and entitled to answer questions on this particular subject. Perhaps the member is not satisfied with the answer, but that is an entirely different matter. He might not be happy about it, but, of course, that does not constitute a question of privilege.

MR. McRAE—RIGHT OF GOVERNMENT MEMBERS TO ASK QUESTIONS DURING QUESTION PERIOD

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, my question of privilege has to do with the rights of members on this side of the House to ask questions during question period. I was seen by you, Madam Speaker, and rose to ask a question. I got the impression from the noise that occurred that there was some question whether members on this side should be allowed to ask questions of the minister. I would like to deal with this point.

I feel that I have the same privileges as every other member to ask a question no matter whether I am on this side or on that side of the House. I make it a point of asking questions directly on which I have not primed the minister. In fact, the minister's answer was not one that I liked and I intend to pursue this particular matter further. But I got the distinct impression that this was the reason for the noise and it was very difficult for me to ask the question.

I also want to make it very plain that I distinctly said: "I want to ask the minister if he is aware of—"and that, in my opinion, is a question. I believe that once in a while some members on this side should stand up and say that we on this side have every right to ask questions in the same way as members opposite.

Madam Speaker: I do not disagree with the hon. member. He does have a right, and that right was recognized today. The hon. member did have a chance to ask a question today. However, I did call the House to order when some of the

members were a bit noisy in order to give the hon. member a chance to ask his question and be heard by the minister and by other members. Therefore, I do not feel that his privileges have in any way been breached.

I cannot hear the hon. member for Athabasca (Mr. Shields) on that same question of privilege because I have already ruled on it.

Mr. Jack Shields (Athabasca): Madam Speaker, I would like to point out that the very first question I asked in this House of Commons was asked on the second or third day of sitting. The preamble to the question was too long and the catcalls were very loud from the other side of the House.

I would like to tell the hon. gentleman who raised the last point that following my experience I discussed the matter with a parliamentarian who had been here a number of years. It was pointed out to me that my questions should be short and to the point, and that if they were I would not get catcalls. I follow that practice now and I have not had any catcalls since.

Madam Speaker: I do agree with the hon. member that members from both sides of the House should be allowed to ask all of their questions and to have silence and the attention of the House while asking questions. When there is too much noise, I try to call order but it is impossible for me to remember whether the catcalls were more important on the third day of this session than they were today. I do not know if I have been absolutely fair in calling order now if I did not when the hon. member was subjected to catcalls. I try to judge the situation and play it by ear. I hope I did not prevent the member from asking a question on that day.

Mr. Shields: Madam Speaker, you were eminently fair.

ROUTINE PROCEEDINGS

[*Translation*]

NORTHERN PIPELINES

First report of Standing Committee on Northern Pipelines—Mr. de Corneille.

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

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PETITIONS

REQUEST FOR LEGAL ACCEPTANCE OF IMPERIAL SYSTEM OF WEIGHTS AND MEASURES

Madam Speaker: I have the honour to inform the House that the Clerk Assistant of the House has laid upon the Table the ninth report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Wetaskiwin (Mr. Schellenberger) and finds that it meets the requirements of the Standing Orders as to form.

[*English*]

Mr. Doug Neil (Moose Jaw): Madam Speaker, I too have the honour to present to the honourable the House of Commons in Parliament assembled a petition pursuant to the provisions of Standing Order 67, which in brief prays that the system of weights and measures known as the imperial system shall always be legal and acceptable in Canada regardless of any other system that may happen to be used.

The petition attached bears the signatures of 4,875 electors and was sent to me in my capacity as member of Parliament for Moose Jaw for transmittal to the honourable the House of Commons in Parliament assembled. If the petition is found to be in order, Madam Speaker, I pray it will be referred to an appropriate committee of the House of Commons.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 43, 57, 194, 215, 282, 333, 655, 656, 657, 881 and 964.

[*Text*]

NATIONAL GALLERY OF CANADA

Question No. 43—**Mr. Cossitt:**

1. During the past 10 years, were objects of art purchased by the National Art Gallery subsequently found to be fraudulent, imitations, reproductions, etc. and, if so, in each case (a) what was the type of object and the date of purchase (b) what was its cost (c) who was the artist (d) who authorized and certified that the art was genuine?

2. Was the cost of such objects recovered and, if so, what was the amount?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Museums as follows:

1. To the best of its knowledge, the National Gallery of Canada has not acquired any objects of art during the past ten years which have subsequently been found to be fraudulent, imitations, reproductions etc.

2. Not applicable.

CANADA COUNCIL GRANTS

Question No. 57—**Mr. Cossitt:**

Were grants made by the Canada Council prior to May 22, 1979, termed publicly by certain persons as "peculiar" and, if so, does the government plan to (a) review criteria for Canada Council grants (b) make changes in the methods

of making such grants (c) introduce legislation or any other regulations requiring grants to be given on a different judgement basis?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): The Canada Council has no record of the type of grants described in the question.

The Canada Council has been established by an act of Parliament in 1957 to promote and assist a very diversified arts community. The government does not intervene in the grant-making decisions of the council which relate to its specific mandate under the Canada Council Act.

AIR CANADA

Question No. 194—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Air Canada?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

1.		1977	1978
		($ Millions)	
	(a) Total revenues	1187.7	1322.6
	(b) Net earnings	20.0	47.5

2. (a) Air Canada received no direct or indirect subsidies or other benefits from the government in either year.

(b) No new guarantees were provided by the government in either 1977 or 1978.

In 1977, $17 million in 8.1 per cent-8.8 per cent notes maturing in 1981 were provided to the airline related to the Winnipeg Line Maintenance Hangar contract.

(c) Details of the government's investment in the airline during 1978 are best displayed in the company's 1978 annual report tabled in the House. This includes all pertinent aspects of the corporate recapitalization that occurred on April 13, 1978, under the provisions of the Air Canada Act 1977. References are notes 5 and 6 to the financial statements in that report.

There were no write-offs.

FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 215—**Mr. Herbert:**

1. During 1977 and 1978, by quarters, what were the rates of interest charged by the Federal Development Bank and what were the prime rates charged by the chartered banks?

2. What was the loss record of the Federal Development Bank in each of the past five years?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Federal Business Development Bank is concerned:

1. A list of interest rates charged by the Federal Business Development Bank and the prime rate charged by the chartered banks for 1977 and 1978, by quarter, follows:

	Chartered Bank Prime	FBDB Loans Over $50,000
March, 1977	8.75	11.50
June, 1977	8.25	11.50
September, 1977	8.25	11.50
December, 1977	8.25	11.50
March, 1978	8.75	11.50
June, 1978	9.25	12.00
September, 1978	10.25	12.00
December, 1978	11.50	12.50
March, 1979	12.00	13.00

2. There has been no loss in the fiscal years 1976, 1977, 1978 and 1979.

NATIONAL LIBRARY PURCHASE ACCOUNT

Question No. 282—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the National Library Purchase account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Library as follows:

Fiscal Year	Amount
1974-75	$342,070
1975-76	426,833
1976-77	338,410
1977-78	33,595
1978-79	1,913
1979-80	2,538

LANGUAGE EDUCATION

Question No. 333—**Mr. Herbert:**

Is it the government's intention to measure the opportunities for Canadians to learn English or French as their second official language and, if so, by what method?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): It is currently the practice of the federal government to monitor the participation rates of elementary and secondary students in second official language learning and it is the government's intention to continue this procedure.

However, any type of measurement requiring provincial co-operation would, of course, be subject to federal-provincial agreement.

This question will be discussed with the provinces during the negotiation of new federal-provincial agreements on official languages in education commencing 1980-81.

Order Paper Questions

CMHC—NEW BRUNSWICK

Question No. 655—**Mr. Howie:**

From January 1, 1978, what amount was loaned by CMHC to organizations in New Brunswick for construction of senior citizens residences?

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

Total CMHC Loans Approved to Provide Residences for Senior Citizens in New Brunswick, January, 1978—March, 1980[1]

New Housing			Existing Housing		
Loans	Units	$000	Loans	Units	$000
4	40	985	3	24	613

[1]All activity in 1978

SENIOR CITIZENS' PROJECTS APPROVED—N.B.

Question No. 656—**Mr. Howie:**

From January 1, 1978, to date, how many loans were made for senior citizens housing accommodation for projects in (a) Fredericton (b) York county (c) Sunbury county?

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

Total NHA Loans Approved for Senior Citizen Housing Accommodation in Selected Areas in New Brunswick, January, 1978—March, 1980

Areas	New Housing			
	Loans	Units	Hostel Beds	$000
Fredericton	1	—	30	1,018
York county[1]	2	—	60	1,714
Sunbury county	—	—	—	—

[1]Includes Fredericton city.

Question No. 657—**Mr. Howie:**

From January 1, 1978 to date, what amount was loaned by CMHC in New Brunswick for the construction of homes to provide care for senior citizens?

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

Total CMHC Loans Approved to Provide Care for Senior Citizens in New Brunswick, January, 1978—March, 1980[1]

New Housing			Existing Housing		
Loans	Hostel Beds	$000	Loans	Hostel Beds	$000
2	100	2,234	—	—	—

[1]All activity in 1978.

CONFLICT OF INTEREST GUIDELINES

Question No. 881—**Mr. Cossitt:**

1. Is it a requirement under the conflict of interest guidelines that cabinet ministers shall disclose personal gifts or other benefits of a value exceeding $200 which they receive from persons other than relatives or family members and, if so, since such a requirement came into effect how many gifts have been reported and, in each case (a) by whom (b) what was the value?

2. What was the total value of all such gifts?

3. Is there a requirement that the gifts be reported within 30 days of their receipt and, if so, has anyone failed to follow this requirement and, if so (a) who and on what date (b) what was involved?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The conflict of interest guidelines for ministers, in effect since April 28, 1980, require that:

IV Gifts

> "Ministers shall disclose in the public registry any personal gift or other benefit of a value exceeding $200 which they receive from any person not connected with them by blood relationship, marriage or adoption, together with the name and address of the donor. Official gifts and hospitality received from other governments and hospitality received from personal friends are not subject to this rule. All gifts or benefits exceeding $200 in value, other than official gifts or benefits, are to be declared to the ADRG within 30 days of their receipt for disclosure in the public registry."

The guidelines for ministers also require that:

VIII Administration

> "—Ministers must complete all arrangements necessary to achieve full compliance within 120 days of appointment or of the coming into force of these guidelines. Within this time period, ministers must provide to the ADRG copies of duly executed trust instruments and public disclosures of previous activities, personal gifts or benefits and discloseable assets, as required, and a public document in which they will indicate in summary for the arrangements they have made to comply with these guidelines. The public disclosures of previous activities, personal gifts or benefits and discloseable assets and the summary of arrangements made by a minister will be open to examination by the general public in the public registry maintained by the ADRG."

Information about the disclosure of gifts and benefits by ministers may be sought from the public registry maintained by the assitant deputy registrar general at the Trafalgar Building, 4th Floor, 207 Queen Street, Ottawa, soon after the expiry of the 120 day compliance period referred to above.

INTERDEPARTMENTAL COMMITTEE ON EMERGENCY PLANNING

Question No. 964—**Mr. Wenman:**

Is there an Interdepartmental Deputy Ministers' Committee on Emergency Planning and, if so (a) which departments are represented (b) how many times has the committee met over the past two years (c) how many deputy ministers have attended each meeting over the past two years and which departments did they represent?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Yes.

(a) The following departments are represented:

Privy Council Office
Communications
Environment
External Affairs
National Defence
National Health and Welfare
Public Works
Solicitor General
Supply and Services
Transport
Treasury Board

and other departments when matters of interest to them are being discussed.

(b) Five times.

(c) (i) five — Communications
Solicitor General
National Defence
Supply
Public Works

(ii) four — Agriculture
National Defence
Public Works
Supply

(iii) one — National Defence

(iv) two — Agriculture
National Defence

(v) four — Privy Council Office
National Defence
Solicitor General
Justice

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 587 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 587 be made an order for return?

Some hon. Members: Agreed.

Madam Speaker: Shall the remaining questions be allowed to stand?

[*Text*]

METRIC COMMISSION PERSONNEL

Question No. 587—**Mr. Stewart:**

What is the number of persons employed by the Metric Commission and, in each case, what is his/her (a) name (b) salary (c) job designation (d) date of appointment?

Return tabled.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. The parliamentary secretary will recall that I had asked him whether he would make inquiries of the Minister of Public Works with respect to question No. 785, which reads as follows:

Has the Department of Public Works, the NCC or any other department or agency made any agreement with the Regional Municipality of Ottawa-Carleton or any other local government in the national capital, to grant land or the right to use land for the extension of the Knoxdale-Hunt Club arterial road or any part thereof through lands owned or controlled or used by any government department or agency?

I have been checking the list with which the parliamentary secretary kindly supplies us in advance each day, but I have not seen the answer to that question. Would the parliamentary secretary tell me whether he has made that inquiry or whether he has any idea when that question might be answered?

Mr. Collenette: Madam Speaker, I have made inquiries. However, I see that the minister would like to speak to this matter and perhaps he can give an answer right now. I am sorry, but I assumed that I had already given the answer to the hon. member because I was told the answer very quickly. In any event, the minister might like to comment.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have signed an answer which was very short. There is no agreement, and I am sure that should allay the hon. member's fears.

• (1520)

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want to convey to the parliamentary secretary that I was not being critical of him when I put that question. Also, I am grateful for the minister's answer.

Madam Speaker: Shall the reamining questions stand?

Some hon. Members: Agreed.

[*Translation*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you please call notices of motions Nos. 6 and 11 for the production of papers?

[*Text*]

ATOMIC ENERGY OF CANADA LIMITED—CANDU REACTORS

Motion No. 6—**Mr. Herbert:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings and other communications between the government and senior officials of Atomic Energy of Canada Limited during the months of June, July, August and September, 1979, that pertain to the negotiation of the sales of Candu reactors either by AECL or by any private company acting with the authority or knowledge of AECL.

[*English*]

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, Atomic Energy of Canada Limited reports that the pertinent correspondence exchanged between the government and AECL during the months of June, July, August and September, 1979, contained commercial information that could be detrimental if made public to future AECL contract negotiations with potential clients. Therefore, I should like to ask the hon. member to withdraw his motion.

Mr. Herbert: Transfer for debate.

Madam Speaker: Transferred for debate.

[*Text*]

TREASURY BOARD—SPECIAL INDEX FOR SENIOR CITIZENS

Motion No. 11—**Mr. Benjamin:**

That an order of the House do issue for a copy of report on a special index for senior citizens prepared by the Treasury Board.

[*Translation*]

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, since the Treasury Board did not prepare any report on a special index for senior citizens, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Knowles: Madam Speaker, in the absence of the hon. member for Regina West (Mr. Benjamin), I move the motion. If it is being denied, I ask that it be transferred for debate.

Madam Speaker: Transferred for debate.

Mr. Collenette: Madam Speaker, I would ask that the other notices of motions for the production of papers also be reserved.

[*Translation*]

Madam Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed, from Monday, June 9, consideration in committee of Bill C-19, to amend the Employment Tax Credit Act—Mr. Axworthy—Mr. Blaker in the chair.

On clause 1—

The Assistant Deputy Chairman: When the committee rose on Monday, June 9, 1980, clause 1 of the bill was under consideration. I believe the hon. member for Calgary West had the floor.

Mr. Hawkes: Mr. Chairman, this is our third day of Committee of the Whole examination of this bill. I want once again to remind the House that I see no officials present. I also want again to remind the House that we have requested that the minister either be better briefed or show up in this committee with officials. It is our contention that the minister wastes the time of the committee because he does not have the answers to the reasonable questions which we on this side and those on his side are putting to him.

I wish to quote from *Hansard* for December 4, 1979, page 1995:

Our objection to this bill rests both on the substance of it and on the attitude of the government. They have not shown during the debate on this bill any co-operation and openness—

The quote is from the minister when he was sitting in opposition and debating our mortgage tax credit bill. I think it summarizes a great deal of the feeling that is building up on this side of the chamber. We have to look at that feeling in the context of the present situation.

Back in 1972-73, I remind the minister, the Liberal government was facing an unemployment situation of a little more than half a million people. In that context, in a public policy sense, for one program alone, the local initiatives program, a job creation program, they were willing to allocate 1 per cent of the budget funds available to the government. Here we are, eight years later with the worst unemployment situation that this country has ever faced, with a rapidly worsening employment situation, and we find the government proposing some ten days ago in this House an expenditure for job creation that is less than one quarter of 1 per cent of federal government expenditures.

It is in that context that it is not only the right of members of Parliament to be able to examine with the minister his proposed legislation, but it is clearly an obligation. When his government chooses to allocate to job creation so few funds, such a little amount of money, it is the obligation of those on this side to examine very carefully whether that money will be well spent.

It is in that context that I rise today and begin another series of questions. I wish to begin with the minister's statement this morning made to a women's group in this city. I quote from a press release:

They were restricted—

That refers to his government.

—to spending limits—

That is in the context of job creation.

—set by the former Progressive Conservative government and he is not willing to announce an expensive new deal until a full review of existing programs is complete some time next fall.

I begin by asking the minister how he comes to the conclusion that the decision that he and his cabinet makes as what to spend on job creation is a consequence of the spending limits established by the Conservative government. Can he tell us how he comes to that conclusion?

Mr. Axworthy: Mr. Chairman, the answer to that question is quite obvious, that the estimates of spending were established by the previous government. We were working within those spending estimates. What we did was shift the priority within those estimates to apply a different program, allocating them in terms of direct job creation as opposed to the employment tax credit.

Mr. Hawkes: Mr. Chairman, I sat in this House in early April. I heard the Minister of Finance increase the federal budget to the tune of $2 billion. Can the minister tell us what portion of that $2 billion increase he got for job creation?

Mr. Axworthy: Mr. Chairman, the hon. member is repeating the question he raised in question period yesterday. I pointed out to him in question period in repetition, which seems to be the only way to get the answer through, that in fact the increased expenditures were allocated to a number of job stimulation measures. He seems to be under the illusion that the only form of job creation was that announced last Monday. It has been repeated to him time and time again that in fact there is a wide variety of economic stimulation measures taking place in the government, that we believe in a mixed approach to job creation, particularly in terms of investing in long-term job creation. If the hon. member is prepared to look at the variety of decisions taken over the past three months, he will see exactly where those expenditures have been made.

Mr. Hawkes: Mr. Chairman, I think *Hansard* records—and the papers given to us by the Minister of Finance say the same thing—that the increased $2 billion expenditure was to go to the subsidy paid for the consumption of oil and to pay interest on the public debt. Is the minister disagreeing with that statement by the Minister of Finance? Is he suggesting to the committee that from that $2 billion extra expenditure he got some of the money for his operations?

• (1530)

Mr. Axworthy: Perhaps I might repeat what I said, Mr. Chairman. The budget account adds up to well over $60 billion. Within that sum a wide variety of initiatives are taken by the government to assist in economic stimulation and job investment from one end of the country to the other. The global budget is attached to a vast variety of purposes, as he will see if the hon. member would like to go through the estimates. I invite him to attend a variety of meetings which are held daily to examine the spending estimates of a number of departments. I am sure it would be a very useful exercise for him to attend those committee meetings and add up the large number of jobs which have been created as a consequence of government expenditure.

Mr. Hawkes: Is the minister suggesting that paying a subsidy on oil imports or paying increased interest on the public debt creates jobs in this country? Is that the kind of economics he is giving us this afternoon?

Mr. Axworthy: Mr. Chairman, I do not use the same kind of silly logic as does the hon. member. I am saying that within the budget of the Government of Canada a number of initiatives are taken to create jobs. If the hon. member wants to quarrel with the principle of providing one-price oil across Canada rather than require the maritimes to pay substantially higher prices, I suggest he should take that issue up with the caucus before he speaks publicly on it.

Mr. Hawkes: Mr. Chairman, I am very much concerned about the employment situation in the Atlantic region. One of the criticisms of this bill is that it does so little for areas of high unemployment in this country. I was in the House earlier during the question period today and heard the minister of energy propose that oil should be available at one price to all Canadians. On the surface that sounds very good, but it has an impact on job creation. Two provinces in this confederation, Nova Scotia and Prince Edward Island, depend on electricity for much of the energy which their industries use. In those two provinces electricity is generated by oil. The consequence of one-price oil in Canada is that people in those two provinces will pay twice as much for electricity, whether they use it in their homes or in their businesses. A one-price policy would, in effect, make it much more difficult for Nova Scotia and Prince Edward Island to attract industry. Is the minister saying he is prepared to go to the minister of energy and argue for a special subsidy for the generation of electrical power in those two provinces?

Mr. Axworthy: The hon. member somehow has the habit of making an assertion, drawing a conclusion and then putting the words in my mouth. If he finds this an amusing exercise, I have no objection. But what he says ought not to be taken seriously as being in any way a statement of our policy. I simply respond that the reason there is one price is to make

sure there is some degree of unity across this country, that some degree of parity between the regions is maintained. The cost of doing so is what we pay for maintaining a degree of equality in Canada, and if the hon. member is not prepared to pay it he should have a serious discussion with his leader and his caucus, because he is certainly way out in right field.

Mr. Hawkes: It is nice to be in the field instead of out of the field, Mr. Chairman. The principle of equality is an important one and the minister is demonstrating either a lack of capacity to listen or an unwillingness to respond. If we are to disperse jobs in this country, if there is to be equality of opportunity in the different regions, one of the most important parts of that industrial dispersion is the supply of energy and its price.

It was a Liberal government some 15 years ago, I believe, which provided incentives for Nova Scotia and Prince Edward Island to switch from coal-fired electrical generation to oil-fired generation because it was cheaper to import oil than to use the domestic supply. The situation today is that imported oil costs more than double the cost of domestic, and the areas to which I have referred burn this oil for the purpose of generating electricity. When a one-price policy for oil is in effect, it will be the same for all Canadians who want to buy gasoline for their cars but it will not be the same for all Canadians in terms of heating their homes or running factories in Nova Scotia and Prince Edward Island. In those provinces the price will be doubled. This will affect the ability of a region to attract employers.

Mr. Chairman, I want to move on now to the five basic issues we should keep foremost in mind when looking at employment programs of any kind. First, there is the question of timing. Will the measure which is introduced spend the money and create jobs at the right time? Second, is this the best way to spend money? Will it provide the most employment and the best kind of employment for the least dollar cost? Third, we should ask ourselves: What is the value of the goods or services provided by this additional employment? Fourth, is the money being spent to provide employment for people who really need it as opposed to those who may not need it so much? Finally, what will the impact of this increased employment, this increased spending, be on inflation?

I should like to go back to the first of those questions. I should like to go back to the first question I asked in this chamber on the last occasion when the predecessor bill was before a committee and to the same question I asked the first time this bill was before a committee. I am interested in knowing what planning figures the minister is using to predict when we are likely to peak. In what month and in what year are we likely to experience the highest number of unemployed Canadians? Will it be 1981, 1980, 1982, 1983? Which month of which year is the minister using as the date on which we are likely to experience the highest unemployment? This occurs in the context of the timing—whether or not this bill asks Parliament to endorse the spending of money when it is needed most. The minister has the figures; he refused to share them with us on a previous occasion. I hope he may be more forthcoming today.

Mr. Axworthy: Well, Mr. Chairman, I am glad the hon. member finally got around to reading my opening address because the principles he put forward were those contained in my opening statement. So it is nice to know that after 20 hours of debate he has finally got around to understanding what the purpose of the employment tax credit bill is.

He still avoids one basic point, however, which is this. The employment tax credit bill does not represent the entire package we are putting forward as employment measures. It is one of several initiatives we have put forward and I would again remind the hon. member that this is simply an extension of the existing tax credit program until we have had the time and the opportunity to examine properly the changes which are taking place in the economy of this country and have reviewed federal programs through a variety of procedures.

We are extending this legislation for the following reason. When this government came to office there were no job creation programs in existence. Canada Works was cancelled and phased out, and the hon. member who has been belabouring his acute concern about the plight of the Atlantic provinces is a member of the same government which cancelled the Canada Works program, which would have created jobs directly and have been of major benefit in the Atlantic provinces and in the eastern portion of Quebec.

• (1540)

He cannot have it both ways. He cannot come here and flail away at the inadequacy of our programs when he belonged to a government which cancelled the very programs which were a major benefit to that region. He was a member of a caucus then. Did he stand up in caucus and complain about what an awful thing my predecessor was doing in cancelling those programs? I did not hear him say anything in Parliament about that. I did not see him rise to his feet in righteous indignation concerning the awful measures which were being taken to void completely an area of its major employment programs. I suggest that he has gone through a little Saul of Tarsus routine. He has changed his mind, as people are apt to do when they change sides in the House.

Mr. Rae: It happened to you, Lloyd.

Mr. Axworthy: Perhaps the hon. member is learning from a good teacher. The fact of the matter is, Mr. Chairman, and we repeat it again, that we have put into place in this country not just the employment tax credit program, which is designed to provide job availabilities for close to 50,000 participants in the next year. We have also put into effect a number of direct job-creation measures which go on top of those already in existence. We are spending well over $1½ billion in this department on a variety of training and job measures.

Now, if the hon. member thinks that is inadequate, he should be debating that entire package and not picking out one piece or another. I would suggest, Mr. Chairman, that this is

not the place to do that, just as it is not the place to debate energy policy or all the other irrelevancies that have been brought into this debate in the last 24 hours of the time of the House. This bill has consumed that much time primarily because the hon. member opposite is asking the same questions over and over and getting the exact answers he wants but not registering them on whatever litmus paper he uses to record these things.

The fact of the matter is that when it comes to the assessment of what we are expecting in the unemployment field, the statistics are in front of hon. members opposite. I do not have to keep providing them to them. They get them every month from Statistics Canada. The patterns are there. We know that the seasonal variations of employment rise and fall according to conditions of seasonal employment in winter, summer, spring and fall. Furthermore, Mr. Chairman, we are very vulnerable and sensitive to the decisions made outside our boundaries. We cannot in any way control the decisions of the U.S. federal reserve board that were made last year to hike interest rates up to 20 per cent, causing a recession in the United States, which caused a downturn in their economy, causing them to buy less pulp and paper, less lumber and less manufactured goods, thus creating an unemployment problem in Canada.

Now, Mr. Chairman, we do not have control over the United States. We could influence them—my hon. colleague who just left, the Minister of Industry, Trade and Commerce, does his best—but we are not in any way going to try to pretend that we are omnipotent when it comes to economic matters, just as the hon. member's government was not omnipotent. No government is omnipotent.

All I am saying is that the hon. member for Calgary West is asking questions that have been answered fully both by the Minister of Finance in his initial statement and by myself in repeating those statements. We told him what we expect the unemployment rate in this country to be. It will be at the level of about 8 per cent. He said that he does not agree and that it will be 9 per cent. That is up to him. Wood Gundy has its figures. The reason economics is a dismal science is because everyone has a gloomy prediction to make, and they are all different. However, that is our best forecast for next year. Mr. Chairman, I will not predict beyond that. I am not going to vault myself into crystal balling into 1983, 1984 or 1985.

Part of the reason, in case it has escaped the notice of the hon. member, that we are doing the review is to come up with those very assessments so that we can establish proper calculations and reorient our programs accordingly. That is why we are doing it. He is a member of a parliamentary committee to do that kind of study. I think, Mr. Chairman, he should curb his impatience, proceed in a logical, rational manner to get representations from across this country and join with his parliamentary colleagues and present the proper report, which I would be very glad to receive.

Mr. Hawkes: Mr. Chairman, I have reviewed *Hansard* for the last two committee meetings, and I find a perfect correlation and a perfect relationship between the lack of knowledge on the minister's part and the length of his answers.

The Deputy Chairman: Order, please. The difficulty is whether the hon. member wants to continue the debate or make what is known in the French language as "un rappel au Règlement", that is, a question related to the Standing Orders of the House. If the hon. member wants to pursue a point of order, I will hear him. If he wants to continue the debate, I will not recognize him.

Mr. Hawkes: Mr. Chairman, on my point of order, I asked a question, and I think an examination of *Hansard* will indicate that the minister took some considerable time and did not answer my question.

Is it part of my 20 minutes when he chooses not to answer my question or do I still get a chance to ask additional questions? Can he eat up all my time by talking about something different from what I asked?

The Deputy Chairman: Order, please. It is well understood that the Chair does not comment upon the quality or lack thereof of either the questions or the answers in the House of Commons, except in some reference to parliamentary language and matters of that nature.

Certainly some hon. members who are questioning might far prefer to have the majority of their time dedicated to questions, with the smallest possible amount of time dedicated to answers. Other hon. members might feel the opposite way. The time allotted is 20 minutes, and the manner in which it is used is the business of the hon. member and the minister, not that of the Chair.

Mr. Shields: Mr. Chairman, my question is to the hon. minister. I do not wish to belabour this point, but I think that something has to be cleared up from when questions stopped the last day.

This is a very simple act. All it is is an employment tax credit program. What I am trying to point out is that I feel that $100 million in the total program is being targeted to areas, as the minister has indicated himself. We do not know what is happening with this tax credit program, but it is still a loss of revenue to the government of $100 million. Perhaps 60 per cent, according to the minister's best estimates, are using it. Can we afford to carry this program and gamble $40 million or just throw it away? That is what we are doing, and that is the point I am making.

Mr. Axworthy: Mr. Chairman, the hon. member brings up a good question. The only thing I would ask is that he try to straighten it out with his colleague from Calgary West, who suggested in the House that a direct job creation program is a waste of money and that a tax credit program is a more efficient use of our money. However, that is something between the two of them. I must confess that I have some of the same reservations about the use of the tax credit methodology. It is one that is widely used in a number of countries, and the evaluations have shown that the actual incremental number of

jobs can range between 20 per cent and 50 per cent in those areas. We have estimated, in interim reports that we have had, that it was around 60 per cent. As I indicated, a full evaluation will be done upon the completion of the cycle of this program, if the bill passes, which we hope to have by the end of the summer. I did indicate to the hon. member that I would provide that report to him. Sixty per cent is a judgment call in part based upon the auditing that we do through the Department of National Revenue. But we do ask for the base line employees and the actual numbers.

All I can indicate to the hon. member is that again, as I said, we do not have the ability to pry into the minds of some 18,000 businessmen who have signed up agreements under this program as to whether they were going to hire people in any event. They have to sign certificates saying it is incremental work, and I would suspect from the monitoring that we have done that there is a fair amount of it. That is the reason, Mr. Chairman, why we did not want to put all our eggs into the one basket of the employment tax credit.

That is why we wanted to vary the program and test it out. It is certainly my intention, again through the review process we are initiating, to get calculations from other areas and try to develop a more in-the-field observation from our own regional offices as to the actual incremental number of jobs put into the work force as a consequence of the tax credit.

I might say that there might be a particular value not just in the general employment field, but again in trying to target in on special needs. There are groups of people in the labour force who we know are more difficult to employ either because of lack of skills or because of certain work handicaps they may suffer, and tax credits may be a way of providing a direct incentive to the employer to bring those people into the work force. That will be one of the areas of examination we will be making in this review in terms of prescribing longer term programs.

● (1550)

Mr. Shields: Mr. Chairman, in the minister's words, I made some serious charges when I said that I felt the program was being abused. I want to really clear up this situation. I am not casting aspersions on the businessmen who sign up for the program, nor am I casting aspersions on the department itself. What I am suggesting is that someone from the manpower offices who is responsible for the program may be overzealous and go out and solicit. We mentioned before that in a high growth area the employer would never even think of applying for this program if he did not get someone from the manpower office knocking on his door and saying, "This is a new job and you qualify for this program." The businessman is not at fault here. I am saying that somehow something breaks down, and I think that is where the abuse comes in.

I have done some more checking myself. The minister said that he has checked in offices in my riding. I would like to know how he checked the people who were going out and asking employers to take part in the program because it was a high growth area.

I should like to suggest also to the hon. member for South West Nova, who mentioned that there were not many employers there taking part in the program, that they do not do so because these are high growth areas. That is what I think is wrong with the tax credit program. The only guys who are going to use it are those who are making the bucks. It is of no use to someone who is breaking even.

Mr. Axworthy: Mr. Chairman, I would say to the hon. member for Athabasca that his observation may be a proper one. We have several thousand employers and you cannot monitor them every day if someone is being overzealous in promoting the program and suggesting its benefits could be used, not in the way the program is designed, but in a way simply to add an additional employee to the factory, we would want to correct that abuse.

We did check with the employment offices in the hon. member's riding to determine that, and we were not able to get any evidence. I would simply suggest to him again that we unquestionably did undertake a major promotion of the program, because when it was first introduced in 1978 there was not much uptake. I think the program produced only 16,000 places. Since then we have been able to increase it to around 50,000. I am sure that within that number there are some who may be abusing it.

If the hon. member has suggestions as to how we can ensure that the abuses are not extended, without increasing the red tape or the regulations, I would be very glad to hear them. I hope it is something on which we will be able to get a better fix as we look at the program more carefully over the summer and fall months. Perhaps this is something for which the parliamentary committee in its hearings across the country may get a better idea.

Mr. Shields: I am glad the minister pointed out that the number went up from 16,000 to 45,000. That is my whole point. I think the 16,000 probably was a realistic level where the program was unsolicited from the employer. I am wondering if it was advertised, whether people were informed by way of brochures, rather than have someone go out as a salesman to the employer's office saying, "This program is available, you are expanding, new jobs are being created and you fall under this program."

I am not suggesting for a moment that the individual who goes out from the manpower office is attempting to do something illegal. I am not suggesting that the employer feels he is doing something illegal. He feels that he falls under this program because it is brought out to him and explained in this way, and this is an education program, as the minister mentioned. I should like to suggest that no one go out from the manpower office, that it should be advertised in the paper and that brochures be sent out. That is my point.

Mr. Cullen: Mr. Chairman, I have a few brief questions because in the previous Parliament it was my privilege to have had the responsibility of being the minister of employment and immigration when this program was initiated. When the pro-

gram was initiated, we built in a lot of road blocks and there was too much red tape. As a result of that, the program was not working, so we called in the business community and asked them what was wrong with it. They said there was too much red tape, there were too many road blocks. We were being pressured constantly by a very good critic, namely, the former member for Hamilton West, who indicated that we should remove some of this red tape. This was asked by the opposition parties who said, "For heaven sake, trust the businessmen. These people out there are not crooks. They want to work, they want to create the jobs, but they will not go through all this red tape in the interest of proving their honesty." So we followed that particular program.

In the first instance, I think the program was taken up in large measure in the province of Quebec. We checked with our people there to find out why it was being taken up in Quebec and found that the reason was the leadership given by some officials in the Department of Employment and Immigration who let the businessmen know that this plan was available to them, that they could hire people, that there was a tax credit available to them. Then we removed much of the red tape, not only at the behest of the opposition parties but at the behest of the Canadian business community. As a result of that, the program took off and became very successful.

We did not have all of the protection built in that we had in the original instance, but we felt that the Canadian businessman could be trusted. I think that the figures we are hearing today from the minister are accurate to the degree that they can be. I think this will require further checking and testing because we are dealing with taxpayers' money, but I commend the minister for continuing in this particular vein because this is a good program and is creating jobs.

My question to the minister concerns the time element. When it was my privilege to be the minister, we saw the program taking off and being successful and we needed more money quickly. Is there a time frame with which the minister is faced in order to keep this program operational?

Mr. Axworthy: I am sorry, Mr. Chairman, would the hon. member repeat his question?

Mr. Cullen: When I had the privilege of serving in this particular role and the program took off, we had real concern abut adequate funding being available. I know that the minister brought this program in almost immediately after the House assembled, and I wonder about the time frame for this program. Are we facing a situation where we might lose momentum as a result of the delays we are facing today and have faced in the past?

Mr. Axworthy: As I pointed out when we introduced this bill two or three days after Parliament opened, the provisions in the bill expired as of March 31. We have tried to maintain some degree of continuity by still issuing application forms, with the caveat that it did require the ultimate approval of Parliament. But in effect, at this very time we are debating this bill, there is no employment tax credit program, it has expired, and we are simply asking for an extension.

As I pointed out, we have had well over 20 hours of debate or discussion on this bill. Perhaps I should not say "on this bill", because of the 20 hours only one hour and ten minutes perhaps have been devoted to the bill. The rest of the time has been devoted to a wide variety of fascinating matters that members of the opposition have been prepared to bring forward. In fact, we have spent an inordinate amount of time on what the hon. member for Athabasca said is a very simple bill extending a program that has already been in operation.

So in answer to the hon. member, I have to say that the longer we continue with this, the more difficult it will be to maintain continuity and momentum and it will probably hurt the program.

Mr. Cullen: I have one further suggestion to make to the minister. I have to disagree with my friend opposite, the hon. member for Athabasca, who was talking about using newspaper advertising and bulletins and papers. Our experience with that is that it does not work. I think the average Canadian sees something like 600 advertisements a day in one shape or another. It is only by personal contact in promoting this program that it was made to work in Quebec in the first instance, and it is what is making it work today. I hope the minister will not say to his officials, "Do not go out to promote this program." Just the opposite should be true.

• (1600)

Mr. Hargrave: Mr. Chairman, I have a short comment for the Minister of Employment and Immigration and hopefully his staff. It relates to a very specific aspect of employment, that is, the question of farm labour. In my own case I suppose it is even more specific. I want to talk very briefly about the help required in cattle operations in western Canada. That is my special interest.

I believe it was last Friday that the hon. member for Bow River made what I think were the only remarks on the subject of farm labour in these proceedings in Committee of the Whole. The minister may remember them. I think they were appropriate remarks. He spoke from experience and long years of a genuine interest in the subject. At that time he reminded the committee about the problem of perhaps inexperienced and new farm helpers which are available from time to time through employment offices for work on farms. Also he mentioned the concern of the farmer employer about very, very expensive modern-day equipment. He spoke of tractors and implements that were worth up to $30,000.

I share that concern, but I want to comment a little more about the type of manpower I can hopefully get from manpower offices which might be of more help to us in the cattle business. It is not an easy job to convince young people, especially, to come out into the country and work on a cattle ranch. This is not a critical comment about the minister and his department, but there are valid reasons for this situation,

even when there are areas and regions which have a good supply of labour in these times of high unemployment.

Of course, the reasons for this relate to the fact that those kinds of jobs are a long way from the bright lights, especially for young people. I can tell members that that is a major factor in this day and age. Another reason is that it comes as quite a shock to a young person, whose idea of cattle ranching is an image he has picked up from watching western movies on television, that we have to work in the winter and keep ourselves warm outdoors all day. He loses his enthusiasm in a hurry when that situation becomes apparent to him.

We in the cattle business have the same problem with respect to expensive machinery. We hesitate to allow inexperienced help to operate that machinery, even if we are resigned to that fact. I am thinking of a modern-day, 14-foot, self-propelled hay swather which can be worth up to $35,000. We are faced with the same situation. It is just as significant that we have trained stock horses. Sometimes it takes five, six or seven years to properly train a stock horse to work with cattle. We hesitate about allowing inexperienced help to ride and use those horses.

The type of labour in which I am interested for my own operation is full-time, year-round help. When we hire them, we hope it is by the year and that they stay for ten years. Of course, experienced help who would qualify in these areas are very difficult to hire. If they are very experienced they work on their own, which is understandable. A few times I have gone to the manpower office and have been successful in getting help. More recently I find the local officials seem to feel that they should specify a minimum wage which as a prospective employer I should be expected to pay. A good question is: How much is an experienced man worth?

My own experience in this specialized field is that I always have to pay more than perhaps the going rate in order to entice them, if you like, to come out and work on a cattle ranch. But it becomes a little annoying when Manpower officials suggest that there is a certain wage, regardless of whether one agrees with it or not, that is expected to be maintained. I should like to ask the minister whether that is official policy and what comments he might have on that.

Mr. Axworthy: Mr. Chairman, I think the contributions made by the hon. member and the ones made previously by the hon. member for Bow River have drawn attention to the very specific problem of providing a proper work force in the agricultural field. I took note of this problem last evening and I will address myself to it.

As far as the specific questions are concerned, the program is available to farmers if they would like to use it. In the last year of the program some 2 per cent to 3 per cent of the 50,000 jobs actually created were in the field of agriculture, farming or animal husbandry. I agree it is a small number, but probably the reason for it is the nature of the occupation as well as the nature of the program. It is not designed specifically to address the concerns of a livestock raiser.

The issue of minimum wage is something over which we have absolutely no control. Obviously it is within provincial jurisdiction. They set the minimum wage as well as the wage rates in various training programs. We are now in a position where, within the next 12 months or so, we will be negotiating with the provinces concerning the Adult Occupational Training Act where we put out a substantial amount of money but do not necessarily control the type of training being offered in each of the provinces. I will make a point in those negotiations to raise some of the concerns about agricultural training.

I should like to make one comment to the hon. member which perhaps is something that goes back to his view of the attitude of young Canadian people toward working on farms. We operate an exchange program of farm students between certain European countries and our own. Several weeks ago I met with the sponsors of that program. They indicated that they can recruit enough trained and interested students from Europe, but that they cannot attract similar numbers of Canadian students to go overseas to learn about farm methods in Denmark, The Netherlands, the Scandinavian countries or West Germany. They feel that one of the reasons is that there seems to be a negative attitude toward going into farm work at the present time. It is something we will have to address and perhaps something our department, in combination with the Minister of Agriculture, can look at.

Mr. Hargrave: I have some further comments, Mr. Chairman. I must admit that perhaps my comments are not specifically on the application of this particular program, but certainly they are on the question of farm labour. I point out that these additional programs about which the minister spoke do not lend themselves to long-time, full-time employment. We in the cattle operations are quite resigned—and have been for many years—to the fact that we have to train our own young people. I find it interesting that the best source of young people really genuinely interested in this field is people who come from a long distance away, such as from the province of Ontario or Quebec. They travel a couple of thousand miles and show a genuine interest in sticking to it. I have had much better results from that source of employment.

● (1610)

It is rather ironic that about the only time the local young people, especially those of the cities, seem to be willing and anxious to come out—to put it rather crudely, to do us a favour and work for us—is when they have unpaid bills on their financed cars, which they will lose if they do not get a payment in pretty quick. Under those circumstances, they suddenly become interested in our type of work, but winter usually scares them off.

Again, coming back to my one point, I am sure that the minister is aware that there are no minimum wages for agriculture-related work, certainly not in Alberta. I am not questioning whether or not there should be minimum wages, because there is a reason in the history of that situation as to why there are no minimum wages. Is it the policy of the officers in the field to suggest a minimum wage which must be

guaranteed before we can even get serious about hiring full-time employees?

Mr. Axworthy: Mr. Chairman, it is not a specific policy. We do recognize that there has to be a minimum amount of remuneration for people who go into the work force, but because of the nature of the farming community where other services are provided, such as room and board, there is no minimum wage. As the hon. member has said, the minimum wage guideline is a decision which is made by the provinces. I will undertake to discuss that topic with the provincial ministers when I have the opportunity.

Mr. Hargrave: Mr. Chairman, I have just one other observation. I do not believe that it will lead to a question. I want to give the minister a specific example. I once put an order in to the local manpower office for help. I specified that I wanted an applicant who was reasonably competent in the saddle. I did not expect a bronco-rider, a professional rider or anybody like that. It turned out that the manpower office received one application from an individual who described himself as a horse trainer. The minimum salary expected for him was $600 a month plus room and board! That particular individual may have been a horse trainer, but he did not fill the bill at all. I think he had some experience in training horses. To me that is a good example of a minimum wage which was used in an entirely wrong situation.

I make these remarks for the benefit of the minister and his staff just to let them know that, while I am sure he does not hear very often from those of us who are in the market for a full-time, year-round employee, we sometimes feel a little less than adequately served. Perhaps it is because of the nature of the jobs which we offer, but when we get employees who are willing to stay, they are very well paid. We often feel that there just is not enough of them when we need them.

Mr. de Jong: Mr. Chairman, although I know that the minister has had several questions from other hon. members on the subject of studies which might be undertaken to show the effectiveness of this particular program, I would like to ask a couple myself.

I notice that on April 24 the parliamentary secretary to the minister, in an address to the House, referred to a study which was based on some 5,000 people who were employed under the program and showed how many of those people had been unemployed, for what periods of time and so on. Could the minister tell us if there have been any programs which would show how long the jobs created under this program have lasted and how long those people who have been employed under the program remained employed?

Mr. Axworthy: Mr. Chairman, by our best estimates, the average number of weeks that are used under this program is 46. As the hon. member knows, the program must be a minimum of three months' duration and are an average of 12 months, it is about a 46 week average over all.

If I understand the hon. member's second question, what we can gather from the interim report—and I want to make it clear that it is simply an interim evaluation which will not be completed until the end of this summer—about 50 per cent of those who join the program stay on the job after the program comes to an end.

Mr. de Jong: Mr. Chairman, I wonder as well if in the study which was referred to there was any breakdown in terms of male/female employment and in terms of native employment?

Mr. Axworthy: Mr. Chairman, in that interim study there was a breakdown between male and female employees. We estimated that about 40 per cent of the participants in the program were female. The range was between 35 per cent and 40 per cent. The reason for that figure is that most of the work is concentrated in the manufacturing sector or the goods-producing sector. As the hon. member well knows, that is a sector which has not been available to women up to this point in time.

We hope to be able to break down those barriers through some of the programs we introduced last week, but it will be a long-term program and, as a result, the figures do not reflect the over-all percentage of women in the work force.

Mr. de Jong: Were there any figures in terms of native employment?

Mr. Axworthy: Mr. Chairman, because of the nature of this program there was no specific breakdown for native people because the requirement of the employment tax credit program is that, again, we use private sector employers. There are not a large number of such employers within the band council or reserve areas that were being used. If there is some way of getting such figures, I will attempt to get them for the hon. member.

Mr. de Jong: I would like to question the minister a bit more about native employment. As the minister may be aware, I represent the constituency of Regina East. That constituency has a large number of native people among which there is an extremely high rate of unemployment. The Saskatchewan Federation of Indians conducted a study in 1978 which suggested that up to 700 to 800 Indian people from the reserves are moving into Regina every year, which is only adding to the unemployment there.

Would the minister have available for me any figures relating to native unemployment in Regina, particularly with regard to treaty and status Indian people?

Mr. Axworthy: Mr. Chairman, I met with the officials of the Saskatchewan government about two weeks ago to discuss their proposals for an urban and native program. I am recalling offhand, but I think they estimated that unemployment rates were in the area of 40 per cent to 50 per cent, which is about the same unemployment rate that is occasioned on the reserves or in the non-status Indian community. That is one of the reasons we have introduced special programs which relate to the problems of native people and are presently negotiating with a number of native organizations in western Canada to determine if they can get those programs started this summer.

We have had some very good discussions with the native organizations.

I would point out to the hon. member, so that he will not make the same mistake which the hon. member for Calgary West continually makes, that this is not the only program. We are spending the substantial amount of close to $70 million on the LEAP program of which close to 40 per cent of the participants are native people.

Mr. Hawkes: Mr. Chairman, I am fully aware of the programs that are available. The tragedy of this debate is that I am more aware than the minister of what he has and has not done in the employment-creation field. I am aware that there are many programs, and I think I know more about them than the minister.

The Assistant Deputy Chairman: If the hon. member has a point of order, would he come to it? I gather that it was not a point of order.

Mr. de Jong: Mr. Chairman, I would like to question the minister further about the plans, ideas and philosophy of the government as it relates to native people. I understand that treaty Indians are not included in the unemployment statistics. If this is so, would the minister explain the rationale behind that policy. Also, is there any thought of providing or keeping accurate records on the employment of treaty Indian people?

Mr. Axworthy: Mr. Chairman, at the present moment, Statistics Canada does not cover reserves in its labour force survey. But there are ways of determining certain figures, which are drawn primarily from the Department of Indian Affairs. That is where we get our figures.

Mr. de Jong: Is it the philosophy of the government to continue to accept the responsibility for treaty Indian people after they leave the reserve and enter into an urban lifestyle?

● (1620)

Mr. Axworthy: Again, Mr. Chairman, as I pointed out, through the initiation of a number of LEAP programs our department has accepted some of the job proposals and job implementations used by native people in the country. I would also point out a fairly interesting innovation with which the hon. member's colleagues from Winnipeg may be familiar. In the major initiative that I announced with the Minister of Regional Economic Expansion in Winnipeg two weeks ago, we indicated that the Department of Indian Affairs and Northern Development was interested in joining in the agreement to provide special programs for native people who were moving off the reserve into the larger urban centres. We will test that to see how it works, as part of the over-all employment creation program for the city of Winnipeg.

Mr. de Jong: Mr. Chairman, the problem with the LIP, LEAP and OFY type of grants is that they are generally of short duration. It can even be claimed that they sometimes create havoc in the lives of participants through a sense of insecurity. People do not have the opportunity to buy a home and establish a permanent lifestyle because they never know whether the grants will be renewed or what sort of changes may be made in the programs and the philosophies of the government. It is often found that people who exist on grants acquire a great expertise in "grantmanship" and that a lot of their abilities are wasted.

It is not a very wise thing to use community groups to provide needed social and human services, particularly as they relate to native communities. It is better if they are trained to do these things themselves and they are often in the best position to help themselves. It is only good sense to encourage this approach.

The major problem with all these programs is that they are short term and it is not known whether they will continue from one year to the next. Often they are programs that deliver essential social services that the government cannot provide. All too often the services of social welfare departments and hospitals are inaccessible to the native people because of the cultural alienation that exists. It is only sensible to provide human services to the native organizations through the native communities. It appears to me to be cynical to make them short-term projects. This creates disillusionment and a sense that they are receiving gifts for which they must plead and connive, bow and scrape for, rather than giving them the feeling that they are getting money to supply services that they have a right to.

I would ask the minister to give serious consideration to the short-time factor that is involved in the job creation type of program and to ask his department for proposals that would allow long-term funding for native organizations. I wonder if the minister could respond to this suggestion.

Mr. Axworthy: Mr. Chairman, I agree with the hon. member that one of the main objectives of members of this House should be to try to break that horrendous cycle of dependency and poverty that native people in this country experience, but it will not take place overnight.

If the hon. member has been following the announcements made by several of my colleagues, he will know that the Minister of Indian Affairs and Northern Development has indicated that he wants to restore a sense of autonomy and independence to band councils so that they may make their own economic and social decisions.

We are attempting to come to grips with the question of land claims which would put a substantial amount of capital in the hands of native organizations and band councils and give them a major source of money for investment so that they may develop their own programs and resources.

I agree with the direction that the hon. member recommends we take and indeed we are trying to move that way. I would ask him to reflect upon some of the initiatives we have taken recently through my department to begin the process of longer-term economic development. Through the local economic development assistance program we intend to set up a series of projects across Canada designed to help communities establish economic development corporations which will enable

them to initiate the analysis and marketing feasibility studies necessary for their communities and to obtain the seed capital to invest in new business opportunities.

It is my hope and ambition that these pilot projects will show how we can expand the whole concept of economic development for native people, as opposed to short-term assistance.

I do not think we should disregard or deny, however, the value of the shorter-term job-creation programs. I put this question very explicitly to native leaders when they were in this city three or four weeks ago at the council of chiefs meeting. I asked whether they wanted us to cancel the job-creation programs and the universal answer was that they did not. They considered them necessary for two reasons. First, they provided work as opposed to being on the pogey. In many cases the work is in and around the reserves, which is very valuable. A number of the projects concern the development of roads, transportation systems, sewer systems, public works programs and so on. The hon. member has visited many of the same reserves that I have and he knows that many of them need substantial public works improvements.

More important is the fact that the short-term job-creation programs also provide job experience in new settings for native people. It is often the first opportunity for them. I can think of a number of projects that I helped get established in my own city when I was working at the university, such as the Winnipeg home improvement project. A LIP grant was used to establish a skill training program in which approximately 80 per cent of the participants were native. We kept track of the program and found that 50 or 60 per cent of the participants found full-time employment. It provided them with their first opportunity to gain on-the-job experience. They acquired certain attitudes and habits which were useful in a new environment.

I do not apologize for the short-term job-creation programs, therefore, and I think we must continue to use them. I do agree, however, that we should shift the emphasis to long-term job creation and in particular allow native people and organizations to make the economic decisions for themselves.

Mr. de Jong: Mr. Chairman, I do not disagree with the minister except to point out how cruel it is when someone is taken off the welfare rolls, becomes involved in something positive in the community for a few months, and then all at once it is over and they are back on welfare. That is where the cruelty is.

I have also been involved with numerous projects in Regina and Vancouver and have found that to be a problem. People have to go back on welfare when projects end because there is no other employment for them. They are back to square one but with a higher level of frustration.

The problem of native employment, youth employment and employment for women is tied in to our economic strategy. The minister was right when he objected to the narrow definition that some of the Conservative critics used with respect to job creation. The minister claims that there are all kinds of job-creation programs as a result of investment in industry, special assistance, etc, but that is where we take objection to the economic policies of the government. They are the same type of policies that were practised by the former Conservative government, which are the same as those that were practised by the previous Liberal government. These are policies essentially of constriction, of cutbacks and of lay-offs.

• (1630)

We have tried to solve the problem of inflation on the backs of working people. We have been quite willing to accept higher levels of unemployment because it is supposed to solve our inflation problem. The cruelty is that we have not put into place programs that will help those people who are bearing the brunt of the fight against inflation. We have, indeed, shoved them out into the cold. The puny programs that have been brought forward go nowhere near helping those people that government policies have thrown into the garbage heap of the unemployed.

Could the minister enlighten us as to what the economic policies of the government are in terms of employment? Does the government still accept the notion or the goal of full employment, or is 4 per cent, 6 per cent, or 8 per cent unemployment an acceptable level of unemployment? What is the acceptable level of unemployment to the minister and to the government?

Mr. Axworthy: Mr. Chairman, before I answer the last question, let me point out for the record that the member has suggested the programs we have announced have a short terminal point. As I indicated in my opening statement when I introduced the job-creation programs two weeks ago, in the community development program part of direct job creation, if a program demonstrates its usefulness or its viability then it can be extended and be transferred into LEAP, which is a three-year long employment-type training program. If the member is asked, then he should be prepared to say that there is that option of a continuation of the program. As well, under the community services portion of the program there is a three-year time phase for that program.

In terms of the last program, I would not want to take on the task of answering for the entire economic strategy of the government. But I did indicate, as I have several times in the House, that we are now initiating a review of the employment strategy for the Government of Canada. The task force is now in place. The parliamentary committee will be starting its visits and consultations in the spring, the summer and fall of this year. It is out of that process that we hope to be able to arrive at both an estimate of the changing nature of the job requirements in Canada, and how as a government we can respond to them. I would simply ask the member to restrain his anticipation until we have been able to complete that review.

Mr. de Jong: Mr. Chairman, does it mean that the minister is not prepared to give or cannot give us a figure today of what is an acceptable level of unemployment in this country?

Mr. Axworthy: Mr. Chairman, from my point of view having anyone out of a job is unacceptable. I will try to do my best to deal with it, but in the realistic parameters that we have we are working under a number of limitations. But that is the ultimate objective, if you like taking into account all of the slippages, and also the fact that some people just do not want to work. But we will tackle unemployment with all the tools that are available to us in the best way we think.

There are major changes going on in the economic structure of Canada. We have to look at those, and simply to scoff at them, as some members are apt to do, I think is simply showing a know-nothing attitude. We have to look at how conditions change in this country, how we can respond to those changes and how we can use our resources most effectively.

The Assistant Deputy Chairman: I want to indicate to the hon. member for Brampton-Georgetown that the Chair is well aware that he has been patient in waiting for his turn. But there is a requirement to keep some proportion on both sides of the House, so I will recognize next the hon. member for Eglinton-Lawrence and following him the hon. member for Brampton-Georgetown.

Mr. de Corneille: Mr. Chairman, in case we have forgotten our purpose here or what the subject is of this debate, I rise to speak on behalf of the speedy and merciful passage of the bill to amend the Employment Tax Credit Act, which is Bill C-19.

It seems to me that it goes without saying that I should support this bill. I am deeply concerned that this piece of legislation should be passed and passed urgently. It seems to me that we are trying to get under way a program that needs to be continued, and if we do not work and act quickly it will fall by the wayside and its momentum will be lost.

We understand also that this is not the only bill that will deal with unemployment. It is only one weapon in an arsenal of attempts to work with and overcome the problems that face those who are unemployed. It seems to me that if we have any compassion for those who are unemployed and if we really cared, we would not find it necessary to have 20 hours of debate, or more, of constant repetition.

An hon. Member: Why don't you sit down, then?

Mr. de Corneille: We would not find it necessary to talk about something that has already been tested and used, and whose value has already been realized. To understand what has happened in the past, we see also that it is a program to meet the small businessman's needs and help him fulfil his ability to make a contribution to the private sector, to the whole country and to its employment programs as well.

We see the opportunity here of giving the small businessman an opportunity to participate in the economy and also to help the unemployed. It seems to me that it is a method that has been approved as being one of the few methods which the Conservative party has recommended in terms of dealing with unemployment, because it is to stimulate the economy by stimulating business.

In that respect the principle seems to be good and accepted by all sides. However, if we accept that that is one tool, not the only method of approaching unemployment, and if we also realise the fact that there are many other programs which the Minister of Employment and Immigration has announced that this will be part of a wider package of programs, then we can see that there are other parts that we can look forward to if members do not want this program alone.

In the meantime, we have an urgent situation. If people are unemployed and in need of jobs, why does this House persist in debating something we all understand? A lot of people are wondering about this. People who are watching this debate on television and people who sit in the House know why this is Committee of the Whole and why the whole of Parliament is not here right now. They ask what is happening. Nothing is happening. That is why often all the benches are empty. There is a delay, if you will; there is obstruction in being able to bring forward legislation that deals with urgent needs. There has to be some concern of conscience on the part of all of those who have to think about people who are unemployed as to whether we are really dealing with these issues or toying and playing with them for political ends and purposes.

If we really cared, we would get on with the job. We would get on with the job by passing this particular piece of legislation. Using our committee on employment and immigration which exists for that purpose, we could discuss employment packages, or better packages if we have any. Then we could come back to seek amendments for additional bills when they come forward dealing with the problems at which they are aimed. This bill is not aimed at dealing with the whole unemployment problem of Canada; we all know that. We know that it is an urgent bill. It is a transitional one, to keep something going while we bring forward other legislation that would deal later with the total unemployment problem of Canada.

We inherited a situation where there were no funds to deal with these problems at the present time. We have to at least perpetuate what is there and keep it going because it is a good program. We should be able to assess its value. No program is perfect. No one program will solve all problems for all regions. The question is whether this Parliament intends in the next little while to help those urgently in need of that help, and to get a bill through to support a principle on which pretty well everyone has agreed.

Why is this bill being delayed? People who watch Parliament on television and who follow Parliament will realize that the vain repetition and idle discussion that is taking place is not contributing to the passage of this urgent bill. I feel that is true of other debates they are watching on television. I do not want to say that any one party is guilty. In fact, I am quite concerned that people may become disillusioned with the entire parliamentary system. Look at the debate yesterday. There are problems facing Canada in terms of unemployment, inflation, energy and national unity. What was the subject chosen for debate during the time of the House of Commons used as prime time by the opposition? It was apparently a very

important subject to them, the metric system. That is what got our attention.

• (1640)

Mr. Deans: Mr. Chairman, I rise on a point of order. I do so with great reluctance. My point of order is that the choice for opposition day has absolutely nothing to do with the content of this bill. I do not understand how a member can stand during this debate and speak about an event which took place on another day on another piece of legislation or, for that matter, an event which has absolutely no relativity or relationship to what is before us.

The Assistant Deputy Chairman: The Chair has to draw to the attention of the hon. member for Hamilton Mountain that he has not in fact presented a point of order for consideration. I might add that if some member wants as part of his address on the subject matter before us to make reference to the choice of an opposition motion, then it seems perfectly within the rules to do so.

Mr. Collenette: Mr. Chairman, I rise on a similar point of order. You ruled before you heard all the discussion on this, and that is your right. I agree with a lot of what the hon. member for Hamilton Mountain said; I think he had a legitimate point of order. However, it should not be directed toward the hon. member for Eglinton-Lawrence, but rather the Conservative opposition which has filibustered this bill for about six weeks in this House.

Some hon. Members: Hear, hear!

Mr. Hawkes: On a point of order, Mr. Chairman—

The Assistant Deputy Chairman: The Chair will attempt to serve hon. members who obviously do not feel too inclined to address themselves to points of order but rather to quick points of debate. I will hear the hon. member for Calgary West, but I would ask hon. members to remember that if they rise on a point or order, it would be helpful if the Chair could hear the point of order.

Mr. Hawkes: Mr. Chairman, both officially and unofficially behind the curtain we have offered to the party opposite, the government, quick passage of this important bill at the point when they answer our questions. The filibuster is on the other side of the House. The extraneous comment brought in about the opposition day is another indication of the government's desire, for whatever reason, to extend this bill and keep us longer in debate.

Mr. Collenette: On a point of order. This is a point of order, Mr. Chairman.

The Assistant Deputy Chairman: The same point of order?

Mr. Collenette: On the comments of the hon. member for Calgary West. Is he undertaking to make a House order that we would dispose of the Committee of the Whole stage of this bill by six o'clock tonight? If he is making us an offer on the floor of the House to get this bill through, I am sure the minister, in consultation with the New Democratic Party, will be more than happy to make accommodations. Is the hon. member offering to make that an order of the House?

The Assistant Deputy Chairman: This becomes more and more difficult for the Chair. My inclination is to suggest that if representatives of the parties want to go behind the curtain and make some arrangement, they should do that rather than do so in this loose fashion. I will recognize the hon. member for Calgary West, but I will begin very soon to apply some sense of order. I want to return to the hon. member for Eglinton-Lawrence who properly has the floor.

Mr. Hawkes: Thank you, Mr. Chairman, I will not take much time. If we get our questions answered instead of being given a filibuster, we are quite prepared to allow the bill to proceed.

Mr. Collenette: When?

Mr. Hawkes: When we get answers. Until then, we will continue to fulfil our obligation on behalf of the taxpayers of Canada and seek answers relevant to this bill.

The Assistant Deputy Chairman: Is the hon. member for Winnipeg North rising on a point of order as well?

Mr. Orlikow: It is on the same point, Mr. Chairman. If there is agreement on the part of the other two parties, we would be quite willing to continue the debate until six o'clock and finish it by that time. We would be quite willing to agree to that. In saying that, I want to say to the hon. member for Eglinton-Lawrence that the kind of speech he is now making is not conducive to encouraging members on this side to stop the debate.

Mr. de Corneille: Mr. Chairman, if my words have in any way contributed to at least a discussion and a dialogue between the parties, I would regard them as being of some value. What I am really pleading for is that we consider the needs of the people to whom this bill directs itself, the unemployed.

I would like to point out that it is a very simple bill. It is a continuation of a former policy. I am really pleading that we not use this forum as anything other than a place to pass bills and to address ourselves directly to the issues at stake. No one side is solely at fault, but we all have a responsibility to try to make sure this bill reaches its destination with all haste.

In that spirit, I suggest that we ask the Minister of Employment and Immigration to do his best, as I hope he is trying to do and know he will try to do, to answer questions. Then if we are promised passage of this bill tonight, that would be to the well-being of all parties.

Mr. McDermid: Mr. Chairman, I take great offence at the hon. member for Sarnia and the hon. member for Eglinton-Lawrence lecturing me and my colleagues on the types of questions that we are asking the minister. We are doing this in all sincerity. We are trying to get to the bottom of a $100

million bill. If I do not ask the questions my constituents expect me to ask the minister, I am not doing my proper duty as the member of Parliament representing Brampton-Georgetown. Therefore, I am going to ask my questions and I do not need lectures from those hon. members.

I enjoyed the speech on second reading by the minister's parliamentary secretary. He gave us some interesting statistics, and I want to follow up on a couple of things that he said. He stated that the reaction from business and industry has been remarkable. I am not sure what he means by that. Through the Canadian Federation of Small Business I did a survey in my constituency and I found that about 50 per cent of the small businesses were in favour of this bill. Therefore, I would not say support is overwhelming; I would say some are interested in it and some are not.

We are talking about employment figures. About 19,000 was the figure the hon. member for Louis-Hébert gave the House as far as Ontario is concerned. I noticed a 61,000 unemployment increase in Ontario this month. Has the minister any comments to make on how this bill is going to affect Ontario? How many jobs does he expect in Ontario this year as a result of this bill?

Mr. Axworthy: Mr. Chairman, if we go by past standards, of the total 50,000 in the 1979-80 year in the province of Ontario, the number of jobs created was about 19,000. I would expect the same number to hold true this year.

Mr. McDermid: Mr. Chairman, I understand that 55 per cent of the total jobs under this plan were taken by youths. May I ask the minister how many of those youths are still employed after two years of the program?

Mr. Axworthy: Mr. Chairman, I cannot answer that directly because, as I said, we have only done one interim evaluation. We monitored the program based upon 2,500 employees. At that time we indicated that about 55 per cent of the participants in the program continued to be employed in the work place after the termination of the agreement under the tax credit program.

Mr. McDermid: Is the minister telling us he has no statistics on how many of those are still working or how many are no longer employed and are receiving unemployment benefits? He cannot answer that, is that correct?

● (1650)

Is this program integrated in any way with the government's other employment programs, or is it a separate entity? Is the minister regarding the whole thing as part of a package or is this in addition to the package he introduced the other day?

Mr. Axworthy: I thought I had made it clear on several occasions that in the government's view it is necessary to take a variety of different initiatives in connection with any meaningful job creation program. While the employment tax credit is particularly applicable in areas where there is a high incidence of manufacturing, it is not as useful or as available where there is a large agricultural or fishing base or where, as in certain areas of the maritimes, there is a slower pace of economic activity. Therefore, it is an integrated package but we are providing a different mixture of programs.

We are asking each of our regional offices to design a blueprint advising us to the best mixture of program for that region, after consultation with the provinces, the employers and the community service sector. So they have some responsibility for designing the "menu"—the selection of services they want to use.

Mr. McDermid: I have the latest unemployment statistics before me and I am shocked to find that in a country like ours 431,000 of the unemployed, or something like 44 or 45 per cent, are young people. I ask the minister whether he would not consider waiving the three-month minimum limit applicable to students, because we are getting on into the summer now. Would he also consider raising the minimum rate to $2 for student employees under the program this summer?

Mr. Axworthy: I do not believe that at the present time the regulations would be waived, but we will take a look at the suggestion. I would point out that the figure he has in front of him was produced prior to full implementation of the summer youth employment program which has put some 70,000 job placements into the market over the summer. This will not solve the entire problem but it will make a dent in that figure. So the May figures, the statistics we have, do not reflect the introduction of the summer youth employment program.

Mr. McDermid: I think that is very misleading because we are talking about 430,000 people who are out in the labour force. That figure does not include the students who are coming out of school now and looking for summer jobs. The youth employment program is designed for the 70,000 students who are getting out of school. So I say to the minister: please do not mix up those two figures and mislead the Canadian people. I think that is very unfair.

The young people today are saying: "I want a meaningful job, not a job which is going to last an average of 48 weeks". They are looking for a job which will last a lifetime. The program before us completely misses this point, as do other government employment programs. I plead with the minister seriously to consider the plight of these young people and design programs in co-operation with the private sector which will lead to the creation of meaningful, long-term jobs.

The minister mentioned earlier that part of the deficit financing is going to help the unemployment program, yet the deficit is going up at the same time as unemployment is going up. The two just do not match. I would ask the minister to take a long, hard look, on behalf of the youth of this country, at meaningful programs which would give them jobs once their education has been completed.

I must admit I am included with my hon. friend on the employment for the eighties committee and I am looking forward to my work. But I do not want the minister to hang his hat on the work of the committee. He should be starting

right now, especially with the young people of Canada in mind, because I personally feel it is an absolute disgrace that 431,000 young people in this country, 45 per cent of those without jobs, should be unemployed. It is just not good enough.

Mr. Deans: Mr. Chairman, in order not to offend my friend on the Liberal benches, I shall be brief and try to keep to the point—which he did not. Some major problems have arisen in this province since the minister introduced the bill before us. I am sure he is not unaware that the unemployment rate in Ontario in particular has risen significantly since this measure was brought down, as, indeed, it has risen across the country. In the major industrial areas of the province unemployment has made dramatic leaps in the past month. Windsor has the highest unemployment rate in the country—we all know the reason for that—and just today in Hamilton, in my own riding, we heard the announcement that Dominion Foundries and Steel Company will be shutting down most if not all of its manufacturing for a week. Incidentally, that is the first time since I have lived there, almost 30 years, that I can remember this company closing down. They are thought of, usually, as a very progressive company and normally they are able to maintain their employment levels.

Anyway, 10,000 additional people will be laid off. That is the equivalent, under a job-creation program such as this, if we take into account the length of time involved, of 200 year-long jobs disappearing just because all these 10,000 people have been laid off for a week. In addition, there will be a marked reduction in the numbers of people who will be making purchases. One must take account of the fear which accompanies these lay-offs. Many of those affected will be reluctant to resume their normal purchasing patterns bearing in mind that the reason given for the lay-offs is a dramatic decline in markets. This is bound to have an effect upon the sale of goods and the flow of services.

With all this in mind, given that the levels of unemployment in Ontario have risen significantly in the past month, given that most of the unemployment is located in the major industrial areas, given that these areas are where most of the young people who are seeking employment live, given that the major unemployment which is occurring almost inevitably results in a decrease in purchasing at the retail level where many of the young people might find work, can the minister outline what measures he might introduce, perhaps supplementary to the bill now before us, which would begin to address themselves to the situation, now crucial, which presently faces us?

Mr. Axworthy: Again, the hon. member asks questions which could be divided into those having short term and longer term implications. I should like to tell him, as I have told him in the House several times, I believe, that in the specific case of the automobile industry my colleague the Minister of Industry, Trade and Commerce has already provided a major program to support the ailing automobile industry and provided a loan guarantee to Chrysler to make sure that it will not fail.

In the meantime, we have introduced into the Windsor area regional benefits under the unemployment insurance program which will provide an additional 12 months of benefits for auto workers in that area. We have also introduced special work programs into the Windsor area, again to make sure there will be a minimum of hardship experienced by the workers who are being laid off. However, we recognize that this is not a sufficient answer and we are presently in discussion with the United Auto Workers, which began two weeks ago and are continuing on a daily basis, to work out what we would consider to be an appropriate response to the problem of lay-offs in the auto industry.

• (1700)

I hope to have these meetings with the UAW concluded some time in the middle of July so that we can come up with a longer-term program, taking into account always that we have certain restraints on the finances of the government and that we cannot simply open the purse wide. Because the purse has already been opened very wide by a wide variety of programs. We are meeting with the UAW to see what we can do to provide longer-term answers. I think that indicates a co-operative attitude on the part of labour, employers and the government, which is necessary if we are to come to grips with the problem.

I am also meeting with a number of other major industry associations in Ontario which have job opportunities. A number of areas—for example, the aerospace industry—are not going to be creating unemployment. The aerospace industry will in fact be creating close to 15,000 to 20,000 jobs in the province of Ontario. The real trick is to make sure we find workers who are unemployed in those areas where labour is needed.

That is what we are meeting with the industry about right now, to work out programs and have discussions to provide labour on an industry to industry basis. Again, it is going to require co-operation from the public and the private sector, and that is the approach we are using right now, both in terms of guarantees, as my colleague has done through the Department of Industry, Trade and Commerce, and also at the same time looking at the specific problems faced by workers in those areas.

Mr. Deans: Mr. Chairman, let us be perfectly frank with each other. The aid to Chrysler will have very little, if any, benefit at this point in time. There are very few new jobs being created and certainly no people being recalled at the moment as a result of the minister's assistance to Chrysler. That, I am sure, we agree on.

In a program such as this you are almost totally reliant on a reasonably buoyant economy to create jobs for people who are going to go into the service and retail sectors for short-term employment. I refer to students, for example. The majority of students require jobs today, and they will need them in June, July, August and part of September. What we are seeing is a marked increase in the number of people who are unemployed, and most of them are in the major centres of the province.

Taking that into account and the fact that because those people are unemployed there will be a reduction in purchasing and that that reduction in purchasing inevitably will lead to fewer job opportunities, what then can you use this kind of program for? Where do those people go to find work? I just mentioned that Dominion Foundries will be laying off 10,000 people for seven days. Dominion Foundries has employed people in the past for summer employment. It is very difficult to imagine how they will employ people this year for summer employment. That means that the people who might normally have been employed there will be looking elsewhere, but for the 10,000 people who are unemployed for a week, that is one one fifty-second part of their income for that year that is affected in one way or another, and so they will be reducing their purchasing. As they reduce their purchasing, the jobs that those young people might normally get in department stores and in other summer-type work will not be available. I do not understand how giving money in the way that we are talking about without having developed an over-all strategy will work.

I do not understand where the jobs will come from. I really do not. I am not trying to create a political argument, I am being as honest as I can be. I do not know where those jobs are. If the economy is in a decline, as it is, if the major employers are laying off, as they are, and if that has the depressing effect on the economy that we all understand that it has, then the secondary type of job that is being looked for by these people will not be there. I do not understand how a program like this can possibly work in those circumstances. I think that if we were in a period of increasing employment and increasing purchasing and had a more buoyant economy, then we could reasonably expect to see some job opportunities.

Let me suggest that if the government had gone ahead and decided to embark on a major program of house building, that would have created a number of jobs in related industries. We all know, I am sure, that there has been a marked decline in the number of housing starts, although there is still a considerable demand. With that decline we are now down to something like 170,000 starts projected for this year. That is down from what is generally accepted as being a target of 260,000 that would be required if we were to keep pace with the need.

If the government were to embark on that kind of program and were then to use some of this money to support employment in related industries, I could see some benefit from that. I could actually see where the jobs are going to come from. But I cannot. I do not understand how it will work. I do not understand where we are going to create work for the people involved.

We will pass the bill at six o'clock, as far as we are concerned, and the government can go ahead with the business of getting the money out, if there is someone to take advantage of it. My suspicion about this is that what is going to happen is that some of the money will be used to pay for employees in jobs that already exist, not new jobs, and that in fact a lot of this money will not be taken advantage of because there will be no new jobs. In the final analysis there will be an ever-increasing number of people unemployed, and we still will not have in place a major strategy for dealing with the chaos that confronts most of the economic sectors in the country. I really do believe that we are dealing with this in a very backward way.

The minister could have the bill passed and could get on with it if he could bring in some kind of economic strategy to show where we are going to create employment in the long term. I have not seen, heard or have any inkling as to when that is going to come or, for that matter, whether it is ever going to come. I suspect it is not. I do not think the government has the foggiest idea how to deal with it.

Mr. Axworthy: Mr. Chairman, the hon. member for Hamilton Mountain paints a picture of dark, satanic mills closing down in the dark of night. I remind him that in the last year close to a quarter of a million jobs have been created in this country; 250,000 jobs have been created from May of last year to May of this year, so the picture is not quite as gloomy as he likes to paint it. It sounds great in the spoken word but, in fact, there still is a functioning economy in this country.

If he is worried about the application of this specific program, if we can somehow satisfy the weird obsessions of certain members of the opposition to satisfy their pedantic tastes and get the bill passed, then there is already a built-up demand for this program. Between April and May of this year we have signed, subject to the passage of the bill, close to 3,000 agreements with Canadian employers who are waiting for this bill to be passed and waiting for hon. members to come to grips with the fact that there are already major demands. They are waiting for the hon. member for Calgary West to overcome his academic convolutions and for us to pass this bill. The demand is there. He is worrying about how it is going to be used. I am telling him it is there. They want to use it. All we have to do is get on with the job.

Mr. McCain: Mr. Chairman, when I participated in this discussion on the last occasion I asked the minister if he would give some special consideration to ensuring that employers of only one person would be as eligible as the employer of thousands. I did not think I got an answer to that question and I would like to repeat it now. Will he give the assurance to the little guy that he will get the same break as General Motors?

Mr. Axworthy: Mr. Chairman, I pointed out to the hon. member last time that 65 per cent of the jobs created under this program went to employers who employ less than 20 people. That suggests to me that if two-thirds of the jobs are created by employers who employ less than 20 people, it is not General Motors which is benefiting from this program. It is mainly the smaller businessmen in Canada.

Mr. McCain: Mr. Chairman, I would like to draw the minister's attention to the fact that he did not answer my question today and that I did not get an answer the other night. He has given me more information this time than he gave me the last time, but the question still stands, and I raise it as a question of very major importance, particularly in the

province of New Brunswick or in any part of Atlantic Canada which is feeling the crunch of unemployment. The rate has not gone up as fast as it has in Ontario, but it has gone up and will continue to go up.

Let us bear in mind that Atlantic Canada is an area in which the rate usually goes up a little slower at the beginning, gets a little higher before the end and is much slower coming back down. I think that many of these programs have to be directed toward that kind of area. They have a special impact in that area where there are many small employers. So I will take the minister's assurance that the guy who wants one man will be able to get one man and will not have a rigmarole to go through to arrange it but will get help from the department and its staff, because this is one of the problems. The staff of the employment offices are very patient and helpful to those who want 20 people and whose records look good, but somebody who, for the first time, is looking for assistance to employ one man needs a great deal of attention.

● (1710)

I should also like to ask the minister if he has as yet any answers to give me to my question in respect of the guidelines which shall be applied to the make work programs, such as Young Canada Works and the Winter Works program. Will he give consideration to adjusting those guidelines so that communities, service clubs, etc., may be able to make contributions to the community rather than have some of the money spent in a fashion which the community sometimes resents when the community or the service club wants help? I sent the minister a letter containing three or four applications which I suggested should have had top priority consideration. They were rejected out of hand and I wonder, in view of the letter and the examples which I sent him, whether he has given that subject consideration, and can I get an answer to that today?

Mr. Axworthy: Mr. Chairman, we are tracking through old ground, but let me repeat to the hon. member the following. When it comes to guidelines for the work programs, we plan to reintroduce the constituency advisory system which was abolished by his government, by his caucus and by his members in the last Parliament. That constituency advisory system will allow the hon. member to recommend people from the community who will be able to exercise judgment based upon what is the most valuable project or program within the community. We intend to reintroduce that system to provide a check against the very conditions to which he referred.

The reason he ran into problems in the summer youth program is that his government cancelled that constituency advisory system and therefore there was no way of determining what the local priorities were. The way to try to restore it to some extent was to allow the individual member of Parliament to make the recommendations.

The hon. member has to understand that in his area he got a substantially high proportion of job projects, but he could not get them all because we have far more applications than we have money assigned to the program. There was $110 million assigned to the program to create 70,000 jobs across Canada. They had to be allocated on some degree of equity throughout the width and breadth of this country, and therefore we could not satisfy all the hon. member's particular needs. I did undertake to the hon. member that if he has additional projects and would send them to me, if additional money comes forward because of the cancellation of some program, we would review them. But at the present time we have just received his letter. I would say that if I were allowed to spend less time in the House on this bill, I would have more time to apply to his problem.

Mr. McCain: Mr. Chairman, I am reminded of the minister's interjection in response to the debate in respect of the time which was being consumed. A point of order had been raised, and just in case it was not picked up by the electronic media which looks after us, let me point out that he made the interjection across to our chairman in the committee and said, "And you have all you are going to get." Apparently that is precisely the position in which I now find myself, that I have all that I am going to get.

My question to the minister was whether he would consider changing the regulations. I agree that the ministerial advisory board made a major contribution to the selection process, and I am not arguing that. However, neither the member, if he has input which I did not have, nor the ministerial advisory board can get around the regulations as they exist. I ask the minister whether he would inject into the regulations, by ministerial order or otherwise, or would he advise his staff that in the discretionary process of choosing which project shall be accepted the good be extended to the greatest number of people or to the community concerned, and that this should be the guideline on which moneys are awarded.

I submit that the principle of the greatest good to the greatest number is not prevailing in many instances. When boy scout groups or service clubs which need their premises improved are ruled out of order by virtue of a regulation, then I think something is left to be desired in the regulation. I am only asking that the minister consider this, give it his personal attention and understand the problems which the ministerial advisory board will face when it is appointed. The board cannot get by those regulations no matter what may be the personal wishes of the individuals or the board as a group. That has been their experience. I would like to see that regulation changed.

Will the minister take note of my question and give consideration to recommending to the staff that the greatest good to the greatest number of people, the community, the service club or whatever, shall be the guideline, not some of the ideological guidelines which now preclude items which communities need? I submit that all the projects that I submitted to the minister are items and projects which rendered great good to a lot of people for a long time. I think the hon. member for Eglinton-Lawrence would be particularly interested in two of them because they are church camps where young people have been entertained for some 25 to 40 years. They are in dire financial circumstances and need help. That is ongoing work supported by the churches, and the regulations precluded

them. I would like to see them made eligible. Is that too much to ask? Is that information I am not going to get either?

Mr. Axworthy: Mr. Chairman, I am not going to defend the actions of past governments. If there were regulations—

Mr. McCain: Mr. Chairman, I rise on a point of order. I did not mention criticism of the past government. He can throw that back as many times as he likes. These decisions were made through his office while he was minister and had nothing to do with decisions made earlier. What I am concerned about is the regulations.

Mr. Axworthy: The program that we announced a week ago on Monday is a new program. There are no regulations for it. The hon. member may have some conspiratorial sense that somehow there is a hidden set of regulations. There are no regulations other than the guidelines which we have set to make the communities service program available to non-profit, voluntary community organizations to serve a work of genuine value in that community. We base our judgment of those upon the recommendations that come from the constituency advisory group. The problem which the hon. member faced in the past was that the system set up by the previous government did not allow any community input.

Mr. McCain: No.

Mr. Axworthy: The decisions were made by the joint committee of federal and provincial civil servants and the recommendations came forward. We altered that to allow hon. members to have some say. We have now restored the constituency advisory group to provide an assessment of local community priorities. That is the determining factor. I have tried to tell hon. members that three or four times. I do not know how to emphasize it, underline or dramatize it any more. The choice on priorities will be for the advisory group that he will recommend and nominate.

Mr. McCain: May I take up a minute of your time, Mr. Chairman. The opposition has two choices in a case of this kind, and it is very difficult to decide which choice is the proper discharge of duty. One is to walk out and leave this bill and let the government pass it at any time that they choose because the opposition has been confronted with an absolute refusal to co-operate, to try to understand the questions which are asked, to try to understand the problems which are presented.

It is our job to try to represent our constituents. I spoke about a regulation. The minister has avoided his responsibility completely on that because it has nothing to do with the advisory board, nothing to do with members' influence. The only concern was the refusal or acceptance of those projects I forwarded to the minister. The fact is that they were eliminated by regulation by the staff of his department. I want that regulation changed so that the money spent in my constituency will be of long-term benefit to the greatest number of people. That is what we are here for; that is what I am trying to accomplish. I challenge the hon. member for Eglinton-Lawrence to say again that I am wasting my time, when I am trying to look after my constitutents and their long-term benefit. If I cannot achieve that, I am through.

• (1720)

[*Translation*]

Mr. Gimaïel: Mr. Chairman, I am happy to speak on the extension of the employment tax credit program. I know that program well, having worked in a Canada Manpower Centre as an adviser, and I am in a position to tell you that it is a little gem, and it is so for several reasons.

First of all, when that project was created, the government tried to set up a program that could apply without adding to the pile of paper work an employer normally has to cope with when he operates under a government program.

It has always been said that, whether here or elsewhere at any level of government, there is always too much red tape, too many meetings with officials, too many all sorts of things. If some of my hon. colleagues ever worked with the tax credit program, the only paper the Canada Manpower Centre fills in is a yellow form that certifies the hiring of an employee, and the employer at the end of the year only has to send a form to Revenue Canada on which he puts the salary, and that is all. That is it and it is an incentive that people had a little difficulty with at first because there are two departments involved, the Department of National Revenue and the Department of Employment and Immigration. At first there was a little lack of confidence between the officials of each department. In the third year of application, it was a phenomenal success. If the program is being extended today for another year, it is quite simply because it is a necessity.

I come from an area where the rate of unemployment varies regularly between 15 per cent and 20 per cent. We have a huge problem to live with, and that problem is all the more serious as it affects particularly young people. In an area like mine with multinational industries, most of those industries are unionized, the unions are very strong, and like any good union, they protect the seniority of their workers, and that is normal. But the result of all that is that those who have to suffer from the problem of unemployment are the young people.

I heard a while ago some colleagues criticize the existing job-creation program which this government launched in the early seventies, and all I can say is that I wonder, had we not spent that money to create so many jobs every year, year after year, how our young people could have kept their self-respect. Of course, the job-creation activity is not creating permanent jobs, but jobs to allow young people to subsist while the real work problems are being resolved. By the way, we have had such a large number of people coming out on the labour market, a number larger than any other country has seen, when women started to go out to work and when young people from the generation born during the years 1945 to 1960 started to appear on the labour market 15 years ago. There were too

many of those young people at the same time and the work they did was not really necessary. They were supported by temporary program like Canada Works, LIP or that kind of program assisted by an Unemployment Insurance Act which allowed them to live decently, with a sense of self-respect.

The ETCP is another program which aims at getting at the roots of the problem. This program can really promote job creation. An employer in my constituency is happy to receive a tax credit of $1.75 an hour when he hires a young worker, and generally, this young worker will stay with this business afterwards.

Farm workers can also benefit from the program. They are very happy about it. It is the nicest little program ever conceived because it can be applied easily. There is no need to hire ten accountants to be told what to do and what form must be filled in and sent back to the government. I therefore find it difficult to understand why the discussion has gone on for so long to extend this program for one year. It is easy to draw conclusions, but the gentlemen opposite, as our friends in Quebec often say, the hon. members on the other side should go and see in their own constituencies the people who have used this program. It is a real jewel. When you talk to them about a manpower training program, they will tell you: that is very nice, but we have to consult the province for a training program. However, you set up something when you were in power not so long ago and you knew that it would come to an end on March 31—

An hon. Member: You were not there long!

Mr. Gimaïel: You knew that on March 31, 1980, the program would come to an end, and we also knew this, we who were working in manpower centres at the time. What we were asking from the lower echelons was that the program be extended for one year. This was not done. Now we are doing so. We should take care of this as soon as possible. I believe that there is a great potential of use in this program, and the minister will confirm that the funds allocated to the ETCP in the last two years were not sufficient because there always were more requests. This proves that this program is effective and will be increasingly so to the extent, first of all, that members of Parliament will publicize it in their ridings at the same time as the department and will tell their constituents about it because it is universal and applies to nearly everyone. This is one of the elements that the government conceived to fight the basic problem of unemployment which affects all the countries of the capitalistic or western world.

Over the past ten years Canada has given people billions and told them: "Think of ideas, we will give you money, do what you like". There is no other country in the world which did that and it proves that we are confident in the possibilities of the population, and that is why Mr. Pierre Trudeau was re-elected as Prime Minister of Canada during the last federal election. Besides proving that we have faith in the people this constituted an opinion poll which we do not often have the chance to see because it is not one in which we ask people: "Are you for or against this issue?" It is an opinion poll which asks the individual what he thinks. We give money to someone who uses it however he sees fit. The results are fantastic. In my area, job-creation projects have worked wonders which can be used today for recreation purposes or others. Apart from this, there is also the fact that permanent institutions were created from temporary projects. And all this in the context of the same employment tax credit program. A little while ago, I heard someone ask who is going to create jobs. There is no one here on this side of the House who can claim to know the truth and to be able to create all the necessary jobs in Canada. No one. What we are saying is that within this country there are a good many people who have an incredible potential to create jobs and for the last 12 years we have been helping them. That is why Canada has one of the lowest unemployment rates in the world as well as one of the lowest inflation rates. We will continue to do what we have done, to have faith in the population, in all Canadians. This is what is being done in my area and I am happy to encourage these people.

A little while ago, we were talking about a striking committee for job creation. That is essential. When we came to power and the previous government had decided, oh wonder, to put an end to the job-creation program, to suppress it, we wound up with the program pretty much in tatters; the striking committees had disappeared. We had to take all that in hand and rebuild. People ask me: Why a striking committee? Because these striking committees are comprised of key people who have ideas, know the local background, come from all parts of the region and from every corner of the riding; these people sit down and study ideas which are presented to them and invest money in them. It is simply a question of trusting the people. If you trust Canadians, Canadians will trust you. We know what we are talking about. We have been in power almost 20 years. That is essential. When you want to show someone you trust him you give him the opportunity of making it on his own. That is exactly what we are doing. We are not the fountain of truth. We will not force Canadians to work in areas they do not want to work or to do things they do not want to do, but we will help them hire other Canadians, if they want, and put their ideas in practice.

In conclusion I wonder if the minister could tell us whether the budget for the tax credit program, with which I became very familiar when I worked at the Canada Manpower Centre, will be increased over last year? I am aware of the fact that the program is being extended another year. Perhaps it should be extended even longer, but I wonder whether the program budget itself, and I realize these are hard times, can be increased.

• (1730)

[*English*]

Mr. Axworthy: Mr. Chairman, I would like to thank the hon. member for a very interesting and good address. It is nice to hear a positive contribution and one that has some relevance to the bill which is under debate. I would simply say that the budget amount which we announced when we introduced the bill is $98 million for this year, which is about the same amount we spent last year. We had hoped that the number of participants under the program would be in the same range of about 50,000.

The reason for keeping it at the same level is that it is simply an extension of the bill while we are reviewing the other programs. We have taken other moneys that were available for tax credits and put them into the—

Mr. Hawkes: Mr. Chairman, I have a point of order. Surely, the minister realizes that it is incorrect to talk about a budget. This is a tax credit, and it does not appear in the budget figures. It is not—

The Deputy Chairman: Order, please. If I understand the question of the hon. member for Lac-Saint-Jean, it was with regard to allocations for certain projects. Therefore, I think it is proper to talk about budget expenditures.

Mr. Axworthy: Mr. Chairman, this is getting to be humorous. The reason for continuing the program at the same level was because we wanted to shift the allocations that were under the estimates into the area of direct job creation.

Mr. Oberle: Mr. Chairman, I want to make a few comments and ask the minister a couple of questions. Nobody has a monopoly on the concern, which we all must share in the crisis that we have, over unemployment and other related problems of the economy. I agree with the minister that there is not one simple solution to this serious problem. However, we on this side differ from this government in the approach. The former government attempted to create jobs of a more permanent nature. This government has gone back to the grand mentality which emerged in the early 1970s where it makes money available to keep people working for three or four months so that they can qualify for unemployment insurance. I realize, though, that there must be such a program, especially when the economy has been mismanaged as badly as it has, not only by Canada—but by other countries as well.

Has the minister or his department been involved in discussions with the provincial governments with regard to this whole area of manpower training? It is quite obvious to me, as it is to many Canadians today, that there is something fundamentally wrong with our primary and secondary education processes. We are keeping our young people in school far too long, and this has a twofold effect. When we keep young people in school for 13 years—I am talking particularly about young people who are motivated at the ages of 15, 16 or 17 toward some kind of a job skill—to prepare them for a career, they are bored to death. This system provides nothing more than a babysitting service.

As a result, we are graduating from our schools today armies of young people with no job skills and who have lost all their motivation toward a certain trade skill. Because the education process has been disrupted, we have academic mediocrity as well. Is it not high time that the various governments get together and work out a program?

Indeed, the educational program in the province of Ontario provides for such a scheme in which young people are offered a training position in industry. They are offered the opportunity to leave school at grade nine or ten, find a place in industry—not at $9 per hour, but at $1.50 per hour because they are continuing to learn a trade and a skill. This learning experience within the industry would be supplemented with training, perhaps one day a week or one week a month, in one of the colleges or secondary schools in the country.

The minister will readily recognize that what I have described is the European system. There is a model of that system functioning in Ottawa right now, and the academic portion of it will run into September. The question is, have there been any discussions with the provinces to address this very fundamental problem, which will help to prepare us for the 1980s and, indeed, for the next century when we will need highly skilled people to work at highly technical jobs?

I would also like to know if there have been any discussions with the unions and the industries and whether these two groups are concerned about this problem. We cannot expect the federal government to find a solution to what is probably the most crucial problem facing our country today, particularly as it refers to youth unemployment. It is a problem which no single agency can solve by itself. It is a problem which requires the input of the federal government, the provincial governments, the industries and, of course, the workers' organizations, before an agreement can be reached.

Can the minister enlighten us as to whether he is concerned as well about these matters, whether there are any discussions going on and whether he has read some of the studies which have been produced by some of my colleagues, by educators in the country, and so on? What does the minister see for the future with regard to the combination of manpower training and job creation, which are two areas for which his department is responsible?

Mr. Axworthy: Mr. Chairman, the hon. member has put his finger on what is really one of the critical employment questions in this country, one that we hope to address by the establishment of the parliamentary committee which would be specifically looking at the issue of a critical need for skills in Canada and at a way in which we can supply them. In the meantime, I have met with the provincial ministers of employment and immigration and discussed this very topic.

We also discussed what we should be doing about the revision of the Adult Occupational Training Act. As the hon. member knows, we put over $800 million into that act. Many of the provincial ministers have indicated that they would like

to shift the emphasis in the program from institutional training to industrial training. I can also tell the hon. member that I have had very specific negotiations with the province of British Columbia through representatives of the minister of labour there concerning their new apprenticeship program. Our hopes are that out of the additional $10 million which will be put into the critical training skill program, some of the money could be used in the new apprenticeship program under discussion in British Columbia. There have been two meetings with the minister of labour of British Columbia and our officials are now meeting. I hope to have further discussions when I am out in British Columbia at the beginning of next week.

Mr. Oberle: Mr. Chairman, I recognize that the minister is taking this question rather seriously and that he has had discussions with the provincial governments. The question is, has he had any discussions with industry? Whenever I advance this idea, the point is always raised that unions would not go along with it and that industry is not interested. From my experience as an industrialist and from talking to other industrialists, I find the contrary to be the truth. Industry is interested but they need the help and support of government to bring together a sort of tripartite approach which also involves labour and government. It does not matter how many institutions we build, skills and technology change so fast that we will always be behind the times. In the context of modern industrial development, only industry can train the people it requires. Of course, we need to back that up with some institutional training and schemes such as the one we are debating today for tax aid to industry for apprentice training and so on.

● (1740)

We also need to get the unions behind this. They would like to have two positions for every apprentice that is being trained, of course. Unfortunately, they have been very shortsighted about this. We politicians may talk forever but unless we bring the other two partners into the scheme nothing will be achieved.

Has the minister discussed this matter with his colleagues and are any discussions going on with labour and industry in regard to it?

Mr. Axworthy: In the past month or so, Mr. Chairman, I have met with representatives of the aerospace industry, mining groups, the Canadian Manufacturers' Association, automobile workers and the CLC to discuss the question of how to develop new training programs. Within the next week I shall meet with people in the oil resource industry. We have also met with the employers councils in British Columbia to discuss the matter.

We must try to develop a review of the kinds of financing to be used for training programs. The hon. member suggested that the levy grant system used in Europe, where there is a sharing of training costs among industrial groups be considered and I must tell him that we are setting up joint task forces composed of people from my department and from industrial areas.

One of the most useful blueprints for that came under the sector approach that the minister of state for economic development took 18 months ago when there was an examination of skill requirements industry by industry. Some fairly good information came out of that which is now being used as a basis for discussion and negotiation.

I intend to meet as many industry groups as I can to deal with the strange paradox of having 900,000 unemployed at the same time as a growing shortage of skilled labour. We must find a way of transferring those who are unemployed into the areas of demand which require high skills. That is what we are looking at right now.

Mr. Waddell: Mr. Chairman, I want to say that I was rather shocked at the remarks of my very good friend, the hon. member for Eglinton-Lawrence. It did not sound like him at all, as he is normally so positive. I concluded that he must be suffering from some malady like the 'flu or the grippe or a little dose of western Canadian liberalism! Perhaps he is sitting a little too close to the minister. I hope that the attitude of the minister will not wash off on the member.

I have only observed this debate fairly briefly, Mr. Chairman, but it seems to me that the minister could get the bill through more rapidly if he were less chippy in his answers and more forthcoming. I also listened intently to the remarks of the hon. member for Lac-Saint-Jean. While I agree with some of his remarks, I find it rather odd that he seems to take the view that Canada is in a rather good position in terms of unemployment. He said that his area had 15 per cent unemployment, which I would think is totally unacceptable. I cannot believe that he accepts that. I think he said Canada had one of the best employment rates in the world. Unless I am wrong, France, West Germany, The Netherlands and even the United States have better rates than Canada. In other words, Canada has more unemployment than they have. I reckon the real Canadian unemployment rate is somewhere near 12.4 per cent. I simply say that rate is not acceptable.

It seems to me that the hon. member for Hamilton Mountain was right when he said that this bill is rather short term or cosmetic in its approach and that we should look toward a long-term industrial strategy—which does not seem to be evident—and a guaranteed minimum annual income in this country. I wonder if the minister has examined the Humphrey-Hawkins proposal in the United States. They said they would not accept 12 per cent or 15 per cent unemployment but would set a rate of 3 per cent or 4 per cent and guarantee everybody a job. This is the most forward-looking legislation I have seen. I wonder if the minister has had a chance to look at that bill. Is he prepared to consider that kind of procedure?

Mr. Axworthy: Mr. Chairman, unfortunately, in the United States system there is a division of powers, which means that legislators can sometimes go on at great length and pass bills which the administration then does not implement. In the last statistics published, the unemployment rate in the United States in shown as being equal to ours. While the Humphrey-Hawkins bill has a very important objective, I would point out

that it is an objective which was set out in 1913 for the Liberals by Mackenzie King. So the Americans are 30 years behind us in this respect. They are experiencing the same kind of problems we have in living up to that because of the very turbulent economic conditions that exist.

Mr. Waddell: Has the minister considered the possibility of framing some sort of long-term industrial strategy to implement the measures of Mackenzie King in 1913 to solve our present difficulties with unemployment. Has the minister considered moving in that direction?

Mr. Axworthy: Not only have we considered it, Mr. Chairman, we are in the process of doing it. It is unfortunate that the hon. member has not participated in the debate sooner. He could have entered it at any time in the last three weeks.

We have established a parliamentary committee to develop exactly those kinds of proposals. We also have a task force working within government to examine the different conditions that are changing in the economy of the country and we are studying how government programs may best be utilized to solve that problem. Perhaps the hon. member should speak to his colleague, the hon. member for Winnipeg North, who will be a member of that committee and suggest these ideas to him, because those are the objectives of the committee.

● (1750)

Mr. Waddell: Mr. Chairman, I thought the member was going to suggest that I speak to the hon. member for Winnipeg North Centre and ask him about Mr. King and his plans. However, I want to add a couple of comments in what I hope is a positive spirit of debate, since I am urging the minister and the member from Eglinton to be positive. I think the member for Prince George-Peace River who last spoke brought up the point about the need for critical skills and for long-term skills. He also made reference to the apprenticeship program. Yesterday I flew from British Columbia with a gentleman who was president of a small corporation in Richmond, the Canadian Aircraft Products Ltd. Even though he was from Richmond, he deigned to sit with me! I heard a story that I have heard before. It concerned a fairly sophisticated corporation that makes aircraft parts and is looking for workers because they cannot get skilled workers. So what do they do? I hear a member say that we should blame it all on the unions. Let us not blame it all on them. If they have some part of the blame, then they should take it. But it seems to me that it goes further. It seems to go into the school system and into our attitudes and so on. We have too easily taken skilled labour from the old country. I know because my father came from the old country where they seem to get some kind of an education in skilled trades, and we are still relying on them.

I have heard the minister's reply and I will not ask him what he is going to do about it. I was happy that the question was put and that the reply was given, and I would second the need to encourage real jobs in terms of apprenticeship jobs.

I know the hon. member from Richmond will not believe this, but as a small employer in Richmond where I used to have a business I took advantage of this program. I can tell the hon. member from Lac-Saint-Jean that. On one occasion when we hired a secretary, I suppose we did not need to take advantage of the program; but it was a good break in terms of money, although I think we would have hired the secretary anyway. On another occasion the program was useful because we were able to hire a woman who had been out of the labour force. She had had children and it was somewhat difficult for her to get back into the labour force. We took a chance on her and it worked wonderfully well in getting her back into the labour force. I tell the minister that the program was helpful and that is why we will ultimately support this bill.

Before I sit down I want to ask the minister one more question. It has to do with remarks made by my colleague the member from Regina East and concerns the native people.

If I could back up a little bit, I am not sure whether the minister noticed in today's question period—perhaps my friend from Lac-Saint-Jean did—when the member from Broadview-Greenwood asked a question in French about an industrial matter and the government minister from Windsor replied in French. This was done as a matter of course. I do not know whether many members noticed, I am a new member and I noticed. It occurred to me how far we have come in this country.

As I look across at my friends over there—the little coterie, I am tempted to say the poker game, but I know that comes later—it comes partly through their efforts, through sticking up for their language, their culture and demanding it. I congratulate them for that.

I allude to this because I am thinking about the question of the native people. At some point we have to make a similar type of commitment. We have to say that there is an injustice there and we must be prepared to make extraordinary commitments to native people in Canada. I find that the employment provisions in this bill—I think it is something like $10 million but I am sure the minister can correct me if I am wrong—are not really sufficient for native employment.

I have a letter here from the Kootenay Indian area council. This letter is in reference to work on the pipeline, the Alaska natural gas pipeline which is to come through their area. They are requesting that the Northern Native Development Corporation act as a vehicle through which people are hired so they can monitor it, protect their land sites and ensure that people are hired for a reasonable length of time and on a reasonable scale. Yet they never seem to get any help or commitments, either from the pipeline companies or from the northern pipeline agency. This is what they say in their letter:

> Our request has been made clear on a number of occasions that the NNDC be given the contract for clearing, grubbing, grading and stockpiling on the pipeline to accommodate the employment of our people.

I saw this kind of employment in Alaska, in Copper Center, where native corporations take gravel and have contracts with the northern pipeline. I saw women workers in Alaska who belonged to the Teamsters Union. They were working on the trucks. Through the American civil rights act and through the affirmative action program they were working. The Americans

are way ahead of us here. Has the minister given any thought to these types of native programs for expanding the provisions in this bill to encourage further native employment and to consider the employment of native corporations on large projects, such as the pipeline?

Mr. Axworthy: Mr. Chairman, I would like to point out that there is no provision in this bill for that particular aspect. We are debating the employment tax credit which has nothing to do with this particular issue.

However, I would like to point out to the hon. member that the additional $10 million that we put forward for native training opportunities is to be used for exactly those kinds of purposes. I have already held several discussions in western Canada with native organizations to establish how we can help them to create their own training programs run by the band councils or by their own corporations to take advantage of the resource projects. Those discussions are ongoing on a continuous basis both with me personally and with my officials.

Mr. Siddon: Mr. Chairman, I am sorry that I am not going to have time to go into the questions that I wanted to raise in detail, but I want to tell the minister that it seems to me unfortunate that the government opposite, ever since the time of Mackenzie King, appears to place great emphasis on programs, committees and all kinds of airy, fairy solutions that involve more bureaucracy, more handing back of the taxpayers' money to someone else, instead of tackling the real problems and coming up with the real solutions.

I would like to pursue a theme initiated by my friend from Prince George-Peace River. It relates to the importance of developing real jobs in Canada, and in particular to recognizing the tremendous demand for skilled technical people which will materialize in Canada over the next decade. We have to recognize that the unemployment rate among the young people of this country, is almost twice the national average.

The minister should know that each oil sands plant, each heavy oil plant, each nuclear installation, each major coal project and each major pipeline project is going to employ thousands of people—at least in the tens of thousands in skilled and technical areas. In addition, as a portion of that complement, it is estimated that each oil sands plant will require over 3,000 engineers, that is, professional university-trained people. That figure does not even begin to include all the spin-off jobs related to all of the service industries that will be required in support of a massive national effort over the next ten years to make this country self-sufficient in energy.

In the professional areas we are going to need civil, electrical, and mechanical engineers, physicists, scientists, economists, and we do not have a program—

The Deputy Chairman: Order, please. It being six o'clock, it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

[*Translation*]

Progress reported.

The Acting Speaker (Mr. Ethier): It being six o'clock, the House stands adjourned until two o'clock tomorrow, pursuant to Standing Order 2(1).

At 6.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 12, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PRIME MINISTER OHIRA

CONDOLENCES ON DEATH OF JAPANESE PRIME MINISTER—MOTION UNDER S.O. 43

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise, under the provisions of Standing Order 43, concerning the sudden death yesterday of Japanese Prime Minister Masayoshi Ohira. Mr. Ohira was recognized by his colleagues around the world for his sage advice and considered counsel.

We in this House were honoured to have Mr. Ohira speak to us only last month. His closing words to this Parliament are a fitting tribute to his ideals, and I quote his words:

The rich life that we strive for is a life that rewards us with deeper satisfactions. We strive to create a world where our children and grandchildren can feel proud to be born into.

We in this House, Madam Speaker, are indeed proud to have known Mr. Ohira. Therefore I move, seconded by the right hon. Prime Minister (Mr. Trudeau):

That this House convey to the government of Japan, and the family of Prime Minister Ohira, its condolence over the death of our friend, Masayoshi Ohira.

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

Some hon. Members: Agreed.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I wish to associate the members of our party with the sentiments of this motion.

Motion agreed to.

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CANADA COUNCIL

CRITICISM OF WORKS OF ART PURCHASED FOR DISPLAY IN OTTAWA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise with reference to action by the Canada Council in purchasing, at a cost of $100,000, so-called works of art constructed of twisted aluminum and steel, five of which have just been erected in Rockcliffe Park, with six more to follow by July 5, resembling what could be termed a hideous scene from the morning after the night before, including, for example, two objects of twisted bands of green and blue steel by Robert Murray, for $31,000.

Having viewed these incredible, insipid examples of so-called Canadian art, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the government immediately require the Canada Council to account for this nonsensical, wanton, wasteful expenditure of public funds. Further, that the Canada Council be instructed to desist from such unnecessary, extravagant expenditures in the future; and, finally, this House condemns the constantly continued spending splurges from the public purse by this government's unrestrained and uncontrolled spending policies.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

WATER MANAGEMENT SYSTEM—CO-OPERATION WITH UNITED STATES—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, having regard to the fact that the former Liberal minister of the environment and the former member for Kootenay West are both on record in this House as expressing their disapproval of the Kootenay River diversion project in British Columbia, and recognized that the American Libby Dam project might ultimately be responsible for a serious reduction in nutrients, adversely affecting the fishery in Kootenay Lake, and in view of the fact that the just released report on the water quality of Kootenay Lake, sponsored by Environment Canada, has confirmed that this is indeed the case, I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That the Minister of the Environment and the Minister of External Affairs initiate immediate discussions with officials in the United States to develop a more co-operative water management system or, failing this, that the minister refer this matter to the International Joint Commission on the basis that decisions made in the United States have adversely affected the Canadian environment, specifically, the Kootenay River system.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

FISHERIES

CALL FOR REVIEW OF INSPECTION SYSTEM PRIOR TO ISSUING EXPORT PERMITS—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas changes in federal fisheries inspection procedures are causing higher demands on inspection and facilities than can be met, particularly in Atlantic Canada, whereas this is causing delays to processors in receiving certificates to permit export of fish from Canada, and whereas the annual amount of exports has tripled for fish products in the last few years and the number of inspections have remained the same, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

● (1410)

That this House urge the Minister of Fisheries and Oceans to review the inspection system, which is delaying issuance of certificates, and to implement procedures that are cognitive of the need for quality; and also to recognize the reduced number of personnel and facilities available to meet the needs for speed for our processors in Atlantic Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HORTICULTURE

IMPORTATION OF FLORIDA TOMATOES—UNFAIR COMPETITION WITH CANADIAN GROWERS—MOTION UNDER S.O. 43

Hon. John Wise (Elgin): I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. It relates to the importation of Florida field tomatoes into the British Columbia market, such that the volume of imports is displacing 50 per cent of the domestic hothouse product and thereby creating unfair competition and causing hardship and financial difficulty to Canadian growers. Therefore, I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That the government take immediate action to impose an appropriate level of surtax on Florida tomatoes to at least restore a position of equal competition to Canadian growers, and that this government accept the recommendations of the Canadian Horticultural Council of including tomatoes in the list of named commodities under the automatic surtax provisions enacted on October 22, 1979, by the previous PC government.

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

Some hon. Members: Agreed.

Some hon. Members: No.

THE CANADIAN ECONOMY

MEASURES TO ALLEVIATE ECONOMIC DISPARITY—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the seasonally adjusted unemployment rate in May hit its highest level since April, 1979, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House direct the government to immediately bring in measures to provide tax contracts to defer taxes for industries locating or expanding in areas suffering from economic disparity, and that it expedite its efforts to implement the small business development bond.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL HARBOURS BOARD

FIRE PROTECTION FOR PORT OF VANCOUVER—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under Standing Order 43. Inasmuch as the city of Vancouver soon will cancel the operation of the only fireboat which provides fire protection in the port of Vancouver, and since all municipalities bordering Vancouver harbour require fire protection by sea, and this should clearly be the responsibility of the National Harbours Board, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That the Minister of Transport take immediate steps to instruct the National Harbours Board to purchase the Vancouver city fireboat and, in co-operation with the region, extend fire protection to cover the waterfront areas adjacent to all municipalities surrounding the port of Vancouver.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ELECTRICITY

DISPARITY BETWEEN ATLANTIC RATES AND NATIONAL AVERAGE—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise on a matter of growing urgency to Atlantic Canadians. In view of the continuing, unacceptably high unemployment in Atlantic Canada, arising in large part from commercial and industrial electricity rates—which in Atlantic Canada are already 60 per cent above the national average—

and concerned that any further escalation in the next round of oil price increases will further discourage new industry from locating in Atlantic Canada, and now seriously threatens existing jobs in the primary resource and manufacturing sectors in that part of Canada, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

● (1415)

That this House direct the government to take the necessary action, when setting energy costs, to eliminate the current disparity between Atlantic Canada's industrial and domestic electricity rates and the national average rates or, at best, not permit it to further widen, and to provide capital assistance programs designed to assist in the conversion of oil to coal for electricity generation.

Madam Speaker: Under the terms of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TERRORISM

VIOLENCE IN SOUTH AFRICA—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in view of the fact that Mr. Yusuf Salojee, a Canadian who is an official spokesman for the African National Congress and who works full time for that organization in support of its efforts to destroy the government of South Africa, has confirmed that his organization was responsible for the terrorist bombings of two synthetic fuel refineries and will direct, promote and encourage other acts of violence, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this House condemn terrorist groups like the ANC which are publicly dedicated to and supportive of violence, including killing of innocent people, in pursuit of their political ambitions and goals.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICING AGREEMENT—REQUEST FOR PROGRESS REPORT

Hon. Bill Jarvis (Perth): Madam Speaker, my question for the Minister of Energy relates to the lack of an oil pricing agreement. Having regard to the fact that in the last three months the minister has held only one substantive meeting with each of the producing provinces, can he tell the House whether he has arranged a series of further meetings to negotiate the agreement; and, specifically, will he tell us when, where and with whom these meetings will be held?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I have had two meetings with the ministers of each of the producing provinces. I have also been in communication with them over the telephone at various times; I was in communication by telephone as recently as today. I plan to have further meetings next week with my colleagues.

Mr. Jarvis: Inasmuch as the present pricing agreement expires in 18 days and, perhaps as significantly, the premiers and ministers of producing provinces, including the premier of Saskatchewan, as late as this morning have indicated that an oil pricing agreement is important, if not vital, to constitutional negotiations, is the minister able to explain to the House why he cannot inform us specifically of a timetable of oil pricing meetings?

Mr. Lalonde: I have just indicated to the hon. member that meetings are being planned for next week.

Mr. Jarvis: With respect to constitutional negotiations, the Prime Minister has imposed a three-month deadline and has called for a tight, intensive schedule of meetings and negotiations. May I ask the minister why, when on the pricing agreement there is an unavoidable 18 months deadline, we do not have an equally tight and extensive timetable of meetings? The minister has not told us when he is going to meet, or with whom or where.

Mr. Lalonde: First, I think that in fairness the hon. member should be correct in quoting what was said in the House by the Prime Minister and what happened on Monday. No deadline or schedule was imposed. The Prime Minister said in the House that this had been agreed to with 11 first ministers: I refer the hon. member to the communique which was tabled. So that was not imposed; it was commonly agreed to by the first ministers concerned.

As for the second part of the question, I intend to be in touch again with one of my colleagues before the end of the day in order to find out whether or not we will be available on the same date. But all the meetings will take place in the course of next week and there will be intensive negotiations and discussions.

● (1420)

Mr. Harvie Andre (Calgary Centre): Madam Speaker, that is an interesting change from what was said in the House. My question to the Minister of Energy, Mines and Resources relates to other commitments made in the House by himself and his colleagues with regard to a blended price system.

Is it still the intention of the Minister of Energy, Mines and Resources to introduce a blended price system which will reduce the import compensation program by the $1 billion

which was announced in the mini-budget of the Minister of Finance on April 21?

[*Translation*]

Mr. Lalonde: Madam Speaker, we have already indicated on several occasions in the House, and I had also the opportunity to do so outside the House, that our proposal for a blended price included a provision under which the cost of imported oil would gradually be blended in the general price of oil sold in Canada.

[*English*]

Mr. Andre: Madam Speaker, given that blending, that gradualism and the commitment of the Minister of Finance in terms of how much will occur this year, as well as increases by OPEC and the fact that Canadian production is decreasing and Canadian consumption is increasing—a lot of it is leakage to foreign airlines, truckers and automobile drivers—will the minister at least have the honesty to admit to the House that he cannot have that blended price system, with the savings the Minister of Finance talked about, plus keeping his commitments in terms of crude oil price increases which would be less than those promised by the Progressive Conservative government, and that one of those Liberal promises must be broken? They cannot both be kept.

[*Translation*]

Mr. Lalonde: Absolutely not, Madam Speaker.

* * *

[*English*]

STATUS OF WOMEN

EMPLOYMENT STRATEGY—REPORT OF ADVISORY COUNCIL

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is addressed to the Prime Minister. In view of the Prime Minister's very strong commitment in the Speech from the Throne to have the government initiate measures that would reflect and support improvement in the status of Canadian women—a commitment that I feel was personal as well as governmental—I wonder if the Prime Minister would respond to the critical report issued yesterday by the Advisory Council on the Status of Women which, among other things, stated that the government's recent employment strategy favours men.

I know the Prime Minister has a personal commitment in this area, and that is why I am asking him this question. With respect to women in the labour market, does the Prime Minister adhere to the council's specific request that the government take measures now to remove the barriers in the Canada Manpower training programs?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is quite correct in referring to the commitment that this government has. I am aware of the particular details relating to the figures quoted by the hon. member, but I am sure the parliamentary secretary would be happy to deal with the question.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM AND SPEAKER OF SINGAPORE PARLIAMENT

Madam Speaker: I would like at this time to draw the attention of members of this House to the presence in our gallery of a delegation of visiting parliamentarians, led by Dr. Yeoh, Speaker of the Parliament of Singapore.

Some hon. Members: Hear, hear!

PRESENCE IN GALLERY OF DELEGATION FROM MALAYSIA

Madam Speaker: I would like, also, at this time to draw to the attention of members of this House the presence of a delegation from Malaysia, led by the Hon. Abu Hassan, Parliamentary Secretary to the Minister of Trade and Industry in Malaysia.

Some hon. Members: Hear, hear!

* * *

STATUS OF WOMEN

ALLEGED DISCRIMINATION IN SALARIES—MEASURES TO RECTIFY

Miss Pauline Jewett (New Westminster-Coquitlam): I ask the Prime Minister for his personal support to improve the condition of women in Canadian society. I do not ask him for facts or figures, but for his personal support. May I ask him about a related matter concerning the finding of the Canadian Human Rights Commission that over 3,000 public employees, predominantly women, have been very seriously discriminated against in terms of wages and salaries.

Will the Prime Minister take some initiatives to see that this finding is respected, to begin negotiations and to ensure that, retroactively, this wage differential is recovered?

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): With regard to the first question, Madam Speaker, it might be that I am too far away for the hon. member—

An hon. Member: You are not tall enough.

Mr. Dawson: I am not tall enough, as the hon. member says. However, I would advise the hon. member that if we have decided to make the Minister of Employment and Immigration responsible for the status of women it is precisely to try to

balance the forces facing one another and make sure that jobs are just as available to women as to anybody else.

As for the second question, I will inquire about it and get back to the hon. member.

[*English*]

Miss Jewett: Madam Speaker, not only is the hon. member not visible, but he is not understandable. He did not reply at all to my question which related specifically to the 3,000 public servants who have been found by the Human Rights Commission to have been discriminated against. I should like, once again, to address my question to the Prime Minister.

An hon. Member: He prefers to rewrite the constitution.

Miss Jewett: It is a personal question. When you see half the Speech from the Throne—

Madam Speaker: Order, please. The hon. member is entitled to rephrase her question and, of course, she can address it to whomsoever she pleases.

Miss Jewett: Thank you, Madam Speaker. I am addressing my third and last question—

Some hon. Members: Hear, hear!

Miss Jewett: Thank you for the applause.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Miss Jewett: I wonder if the Prime Minister has been made aware of the statement made by Edgar Gallant, chairman of the Public Service Commission, saying that it would be extremely difficult to improve the lot of women in the public service. I am very happy to say that it was not difficult to improve the lot of Francophones. It was done without an amendment to the Public Service Employment Act.

Some hon. Members: Order.

Miss Jewett: But apparently it is very difficult to improve the lot of women. Would the Prime Minister say whether he would give consideration to issuing specific directives to ensure that women have equal opportunities in the Public Service of Canada?

Mr. Dawson: Madam Speaker, so far as the first question is concerned, the hon. member knows very well that if this government decided to make the Minister of Employment and Immigration responsible for the status of women, it would be because this government wanted to try to solve as many employment problems as possible.

Concerning the 3,000 cases about which the hon. member is speaking, I have to admit that I do not have the details concerning all 3,000. If the hon. member wishes to come back to us with the full details, we will answer her question.

Oral Questions

ENERGY

GOVERNMENT POLICY ON TAXING EXPORTS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and it relates to the oil pricing agreement and the uncertainty he has created in the province of British Columbia where he has not yet advanced any kind of firm position, but has talked about such things as the federal export tax on natural gas, a federal levy on natural gas, distributor level, and so on.

In the case of British Columbia, it is a very serious consideration which will, of course, have some effect on the constitutional discussions. The minister's meetings so far have resulted in the energy minister of British Columbia asserting that everything emanating from Ottawa recently under the guise of an energy policy has nothing at all to do with energy, and everything to do with money.

Could I ask the minister when he intends to advance to British Columbia a firm federal position, because so far all he has told them is that he will bring in some kind of a tax on natural gas which will cost the province of British Columbia an additional $300 million?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I know there have been various speculations and I have said that as long as the negotiations were going to continue, I would not speculate on specific reports or specific rumours. And I certainly do not intend to do so today. I will not even confirm or deny the rumour to which the hon. member has referred. Those negotiations are proceeding between the federal minister and the provincial ministers concerned. They are going to continue between now and the end of the month, and I will be happy to report to the hon. member and to the House the result of those negotiations.

• (1430)

Mr. Oberle: As Madam Speaker will recall, I did not ask the minister to give the House the contents of the clear position he advanced to British Columbia. I asked him whether he advanced the position—instead of rumours which he now seems to be confirming.

Since the uncertainty he has created does not only have a dilatory effect on the constitutional talks upon which the government is embarking with the provinces, but already has shown very serious effects on the industry which is seeking other places to explore for new resources, particularly in northeastern British Columbia and other parts of Canada, can we tie the minister down to committing the government to producing a firm position which he will advance to the provinces?

Time is running out, as my colleague said in his load-off question. At what point in time, between now and the end of the month, is the government prepared to advance to the provinces a position into which they can sink their teeth?

Mr. Lalonde: Madam Speaker, various avenues have been explored with the provinces. As the hon. member should know—and I am sure he knows—when one is in the process of negotiation, I do not think there is any great advantage in freezing oneself into a single position—neither side—until one is reaching the end of those negotiations. This is a very normal process.

I quite understand my provincial colleagues wanting to keep their options open as late as possible. I have refused to put them in a position where they would have to refuse any possible room for manoeuvring. I have enough respect for them to think that they also want to have some room for manoeuvring. This is the process that we are going on. I think the process is going on normally and I will be able to report, as I said, the results later on.

NEGOTIATIONS TO CONCLUDE ENERGY AGREEMENT WITH PROVINCES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Given the fact that the two massive oil sands projects—Alsands and Imperial in northeastern Alberta—face a one-year delay for lack of an oil pricing agreement, and that these plants alone would contribute $3.6 billion to the Canadian balance of payments and provide 97 million man-hours of construction jobs, is the minister prepared to commit to this House that he will, if necessary, negotiate night and day to conclude an energy agreement, stop this idiotic posturing to fulfil Liberal campaign promises and get on with the job of securing the energy supply of Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would only answer the hon. member by indicating that the federal government is ready to and has approved proceeding with those two plants. As a matter of fact, Petro-Canada, with Alberta Gas Trunk Line, has already come out with a proposal for another plant, a third plant. So the federal government is very supportive of the construction of more tar sands plants. The companies are ready to go ahead with those plants.

I remind the hon. member that it was the government of Alberta which said that it would refuse to let those plants go ahead, until and unless it had the prices it wanted under a new pricing agreement. This is what we are negotiating. We are not the ones preventing those plants from proceeding. I am afraid the hon. member has the wrong information.

Mr. Shields: Madam Speaker, the Minister of Energy, Mines and Resources knows full well that the go-ahead on those plants depends solely on an energy pricing agreement. How can the Minister of Energy, Mines and Resources expect this House to believe that an energy agreement is a priority with his government when he has failed to meet with the minister of energy for Alberta for one full month?

Mr. Lalonde: Madam Speaker, we are not putting any condition on the building of those plants: we are encouraging their construction. We are supporting the immediate start of those plants. The companies are ready to go ahead. It is the government of Alberta that has been putting conditions. As far as reaching an agreement—

An hon. Member: You are dead wrong.

Mr. Lalonde: —I remind the hon. member that there is an agreement in existence at the present time until July 1.

An hon. Member: Who is responsible for energy self-sufficiency in Canada?

Mr. Lalonde: That agreement is operational now and we are negotiating a new agreement. As soon as those negotiations are completed, I will be very happy to inform the hon. member of the results.

* * *

[*Translation*]

SMALL BUSINESS

ENFORCEMENT OF IMPORT QUOTAS FOR FIVE YEARS

Mr. Irénée Pelletier (Sherbrooke): Madam Speaker, my question is directed to the Minister of State for Small Businesses. With reference to the 1977 decision of the anti-dumping tribunal to impose quotas on shoes imported into Canada, and with further reference to the action taken by the government then in power to limit shoe imports, and in view of the fact that, in spite of these quotas, more than 12 million pairs of shoes entered Canada illegally over the past three years, could the minister advise the House, first, whether he intends to correct this anomaly which has caused serious hardship to the Canadian footwear industry by demanding the enforcement of the quotas; and, second, whether the minister intends to consider the possibility, as suggested by the shoe manufacturers of Canada, to extend the current quotas for another five years.

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I must advise the hon. member for Sherbrooke that, together with the Minister of State for Finance, I had a most successful working session with the representatives of the Shoe Manufacturers' Association of Canada, and we are having, on a continuing basis, discussions with the industry, the importers, the Retail Merchants' Association of Canada, about the options which I, jointly with the Minister of Industry, Trade and Commerce, will eventually submit to my cabinet colleagues. The quotas are scheduled to expire on November 30. We are considering various ways and means to protect the best interests of the shoe manufacturing industry and Canadian consumers.

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PERSONAL TAX INCREASES—JUSTIFICATION THEREFOR

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance.

In view of the survey released today, which showed that corporate profits were up over 50 per cent in the first quarter of 1980 over the first quarter of 1979 and that, according to the minister's own survey—his economic review—the real disposable income of the average Canadian actually fell in 1979, can the minister tell the House, where is the fairness in proposing substantial personal tax increases at a time when the economy is on the verge of a recession and when the real disposable income of the average Canadian is falling? Could he please explain the fairness of these proposals?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is ahead of himself because no proposal has been made to increase substantially the personal income tax of Canadians. If that proposal is ever made, the hon. member will have an opportunity at that time to make his point of view known.

As the hon. member said, it is true that there was information today with respect to the profit picture of a limited number of firms in Canada. I think one ought to bear in mind that the very strong profit picture is due, in a certain sense, to very large increases in speculative commodity prices. I do not think this profit picture will continue into the remainder of 1980 because of the onset of a recession in the United States.

Mr. Rae: Madam Speaker, my supplementary question concerns the profits of our chartered banks which are also up substantially this quarter over last quarter. In view of the announcement just a couple of minutes ago that the bank rate for today is 11.29 per cent, a drop of .52 per cent, can the minister tell us why—

Some hon. Members: Hear, hear!

● (1440)

Mr. Rae: I find it hard to understand why those trained individuals on the opposite benches can take credit for the rates when they go down, but refuse to take responsibility for them when they go up.

Some hon. Members: Oh, oh!

Mr. Rae: My question to the Minister of Finance concerns the chartered banks. Why did the government reject amendments to the Bank Act which are being proposed by our party? These amendments would guarantee that the public would know if, when the rates charged by the Bank of Canada go down, the rates charged by the chartered banks would also go down?

Can the minister tell us why his government rejected amendments which would give him and his government the power to assess the reasonableness of interest rates charged to average Canadians?

Mr. MacEachen: Madam Speaker, the Bank Act is at present before the standing committee. When it is reported to the House it will be possible to deal with the questions which are now before the standing committee.

Mr. Rae: You rejected them this morning.

Mr. MacEachen: I would remind the hon. member, as he grows very concerned about increased profits, that it is because of the strong profit picture of the last two years in Canadian industry that it was possible to have a 19.4 per cent increase in business investment in Canada. It is also probable, because of the profit picture, that the spending plans in 1980 will be equally great. The hon. member ought to put the picture of profits beside the picture of the very substantial growth of capital investment in Canada.

* * *

ENERGY

OIL—PRICE INCREASES FOR HOME HEATING

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. I realize that the minister has not yet established his made-in-Canada oil price, but I understand that the price will rise by about 25 per cent. Millions of Canadians are totally dependent upon oil for home heating and pay approximately $800 annually for fuel oil.

How does the minister expect these consumers to bear this additional cost of $200 per annum that will result from this increase? Does he realize that those people who are in lower income brackets spend twice as much of their income, percentagewise, on fuel oil as those in the higher income brackets?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, obviously the hon. member is the only person in the House with this information. He seems to know what the price increase would be under the new oil pricing arrangement. I can tell the hon. member that we will not come out with the kind of proposals and budgets which Parliament and the country rejected in the last election.

Mr. Crosby: Madam Speaker, I would like to direct my supplementary question to the Minister of Finance, who has just heard what was said by the Minister of Energy, Mines and Resources. If this price increase comes about, will the Minister of Finance tell the House whether there will be any plan to assist home owners who are faced with drastic increases in the price of fuel oil? I would not want the plan to be similar to the minister's plan for mortgage interest which he abandoned.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if I could eliminate the problem in this particular area as rapidly as we eliminated it in the area of mortgage interest, I would be delighted.

Oral Questions

NORTHERN AFFAIRS

URANIUM EXPLORATION AND FEDERAL JURISDICTION

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development or, because of his recent very unfortunate altercation with a particularly vicious bathtub, whoever might be speaking on his behalf.

Some hon. Members: Oh, oh!

Mr. Nickerson: Could I have quiet, please, Madam Speaker?

Madam Speaker: Order, please.

Mr. Nickerson: It is understood that requests have been made to the Government of Canada for the imposition of a moratorium, similar to the one imposed in B.C., on uranium exploration and development in the Northwest Territories, an area which, for the time being, is under federal jurisdiction. Could the minister advise the House whether or not the government has taken the request seriously and, if so, whether it does or does not intend to impose such a moratorium?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, there is no moratorium under active consideration.

* * *

NUCLEAR ENERGY

CANADA'S NUCLEAR SYSTEM—FOREIGN SALES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Since recent information has shown that the Port Hawkesbury heavy water plant has no further orders, and since the economic impact of a shutdown will be significant not only to the people working there and the Cape Breton area, but also the Canadian economy, depending on nuclear technology, will the minister tell the House what the government's plans are regarding the Port Hawkesbury plant, and if there are any foreign sales for Canada's nuclear system in the near future?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it has already been indicated to the House that the nuclear industry of this country is under review. I can assure the hon. member that at the present time there is no excess supply of heavy water. However, the government decided several months ago to build up a reserve inventory of heavy water for purposes of national security. I do not see any problems with regard to heavy water plants in Cape Breton in the foreseeable future.

Mr. Gurbin: Madam Speaker, I would take exception to the response that there is a need for $100 million worth of heavy water for national security. That is a very questionable premise. Since the answer given by the minister is really an indication of the government's failure to sell our nuclear technology, can the minister tell the House what the government's internal review of nuclear energy has determined thus far, what the basis of Canada's nuclear energy policy will be now that the industry is withering on the vine, and whether the country will have an opportunity to have access to information from AECL and the government through an open review before members of Parliament?

Mr. Lalonde: Madam Speaker, the hon. member should know that the party to which he belongs was the government last year, and that during that time it did not change the decision to build up an inventory for national security. I believe that the inventory build-up is justified for our own security purposes and for the purpose of security of supply to the people who purchased Candu reactors. These countries should be able to rely on Canada for an adequate supply of heavy water for their Candu reactors. I think the decision was a wise one and I am surprised that the hon. member does not seem to agree.

In so far as the other questions raised by the hon. member are concerned, the review is proceeding but we have not reached a conclusion as yet. When we do come to a conclusion, we will examine the ways in which Parliament and the public can express their views in reaction to some of the proposals which would be put forward at that time. Obviously, if members in this House or organizations outside the House have views to express they will be most welcome and we will certainly take their views into consideration.

* * *

THE CONSTITUTION

NATIVE PEOPLES—DISCUSSIONS WITH GOVERNMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a question for the Prime Minister. In the document entitled "Priorities for a New Canadian Constitution" which was submitted by the Prime Minister to the constitutional conference on Monday, the last paragraph related to the involvement of native peoples in the constitution process. After his statement on Tuesday, the Prime Minister said that this matter was discussed at the conference, but it is not clear what was decided.

Could the Prime Minister tell the House whether that paragraph was agreed to by a majority or a consensus of the provinces and, if so, will it be the subject of further discussion at the working meetings during the summer? At what stage will the Indians and the Inuits be asked to give their views to those working meetings?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the document which was tabled was presented by the federal government. The provinces are not bound by that document—including the last paragraph—except in so far as the list of items to be discussed, which was agreed to by the first ministers.

The particular paragraph concerning natives and about which the hon. member has inquired was not the subject of any agreement. The matter was discussed and the paragraph outlines the view of the federal government. But at this stage I am in no position to speak on behalf of the provinces as to what they intend to do about the matter.

* * *

● (1450)

EXTERNAL AFFAIRS

VENICE SUMMIT CONFERENCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Prime Minister. Could he tell the House which ministers, if any, will be accompanying him to the summit conference in Venice?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as is customary—and I believe this was the case in the summits we have attended in the past four or five years—I will be accompanied by the Secretary of State for External Affairs and the Minister of Finance. Because of the importance of energy on the agenda, I also intend to ask the Minister of Energy, Mines and Resources to accompany the delegation. I believe this was the practice followed by the right hon. leader of the opposition, when he was prime minister, at the Tokyo Summit.

* * *

ENERGY

OIL PRICING AGREEMENT—DISCUSSIONS WITH PROVINCES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Since that conference will occur prior to June 30, which is the date for the expiry of the present pricing agreement, does the minister expect to conclude an oil pricing agreement before he leaves the country? If not, can he tell the House what contingency plan the government has established in the event that the present pricing agreement expires before midnight on June 30 and no new agreement is signed?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already indicated to the House that I would hold meetings next week, presuming that I will attend the summit conference in Venice. I want to assure the Leader of the Opposition that I will be back well before June 30. In fact, I hope to be back the day after the end of the Venice conference in order to carry on the negotiations until June 30, if necessary.

[*English*]

Mr. Clark: A supplementary question, Madam Speaker. This matter takes on some urgency since there has been so little progress realized, and perhaps no real progress attempted by the Minister of Energy, Mines and Resources since his swearing into office and the imminent expiry of the oil pricing agreement. It is interesting to know that his travel plans would involve him coming back to Canada before the agreement expires.

My question is, what contingency plan, if any, does the minister have in place? If he has none, I think the House will like him to say so, and if he has one, we would like him to tell us what it is.

[*Translation*]

Mr. Lalonde: Madam Speaker, I act on the basis that we will arrive at an agreement and not on the basis that we will have to prepare contingency plans because of a lack of agreement. Our objective has always been and remains to come to a settlement and I have already indicated that we will try our best to do so.

Since the Leader of the Opposition himself has attempted unsuccessfully for six months to achieve an agreement, he knows that it is no easy matter and that a lot of work needs to be done. I intend to have at least as much success in my negotiations as he did in his.

* * *

[*English*]

FISHERIES

SPORTS FISHERY AT MOUTH OF FRASER RIVER, B.C.

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question will be to the parliamentary secretary to the Minister of Fisheries and Oceans, in the absence of the minister.

The parliamentary secretary will be aware that the Fraser River chinook gillnet fishery was closed down yesterday and there was an announcement today that the sports fishery at the mouth of the Fraser River will be closed down on Friday night, as well as Rivers Inlet, for chinook salmon. The closure of that fishery, particularly the sports fishery, indicates the seriousness of the depletion of stocks in the Fraser River and elsewhere in British Columbia.

In view of this, I wonder if the parliamentary secretary could inform us how the Minister of Fisheries and Oceans can permit the Aluminum Company of Canada to divert the Nechako River in order to reduce the minimum flow requirement in that river, under the requirements of the department, from 1,000 cubic feet per second to 500 cubic feet per second, thus further reducing the health of the chinook salmon in the Nechako and Fraser Rivers?

How can the minister reconcile not forcing Kemano I and the Aluminum Company of Canada to meet the requirements

for fisheries in those river systems? Could the parliamentary secretary inform this House of the facts?

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I thank the hon. member for his question, because he appreciates the concerns of the salmon fishery in British Columbia. The hon. member is quite correct inasmuch as the Aluminum Company of Canada has cut the water down to 500 cubic feet per second. We have asked our officials to look into this situation. I think within the next few days we will be able to make sure that the water rate over that dam is back to 1,000 cubic feet per second.

Mr. Miller: Madam Speaker, I think the House should be aware that the reduction of that flow is not for smelter purposes but is for the sale of hydroelectric energy to B.C. Hydro and then later to the United States.

I should like to ask a question about Kemano II, which is a project that will influence 40 per cent of the B.C. salmon industry production in the Skeena River, the Fraser River, the Nechako River and the Dean River. Has the minister any plans, in co-operation with the British Columbia government, to call for a full public inquiry into Kemano II which, if it goes ahead, will further jeopardize all salmon production in those four rivers and reduce the income of the B.C. salmon fishermen, shore workers and those engaged in processing?

Mr. Henderson: Madam Speaker, I indicated in the House the other day that the minister had stated he was in favour of a public inquiry into the Kemano II project. This is the position of the department. I will bring the hon. member's question to the attention of the minister and get back to him with a further answer at a later date.

* * *

HEALTH AND WELFARE

HIGH LEVELS OF ASBESTOS DUST AT CERTAIN AIRPORTS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Yesterday, the government of New Brunswick was forced to close its principal office building in Fredericton because of unacceptably high levels of asbestos dust. Tests are currently under way at Toronto airport by the ministry of transport with regard to unacceptably high levels of asbestos dust found in certain facilities in the airport.

Is the minister, on behalf of the government and in pursuit of her responsibilities for national health, conducting tests in all federal government buildings to determine whether there are unacceptable and dangerously high levels of asbestos dust, especially in buildings erected prior to 1972?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, further to questions on that topic relating to the airport situation which were asked last week, I checked with the department and was told that regular monitoring was taking place. I was not informed of any specific critical situations such as the hon. member seems to be suggesting. I will inquire again in the department. If the hon. member wants to give me more detail, I shall, of course, benefit from his knowledge.

Mr. McGrath: Madam Speaker, perhaps by way of a supplementary question I could suggest to the minister that in view of the fact that a number of schools in Canada have had to be closed because of dangerously high levels of asbestos dust, and the incident in Fredericton yesterday, as well as the incident at Toronto airport where 115 Government of Canada employees have had to be monitored and tested because of exposure to high levels of dust—surely in the light of that evidence it would be incumbent upon the minister to order a full-scale monitoring of all government buildings. Has she done so? If not, why not?

Miss Bégin: Madam Speaker, I think I have very clearly and frankly said that I have not ordered such a monitoring. The hon. member is speaking of a matter where the provinces are all actively involved. He mentions schools and federal buildings. It was obvious in my first answer that I have not been informed of any critical situation in which I had a given, direct responsibility; but I shall inquire as soon as we leave the House.

* * *

HORTICULTURE

FLORIDA TOMATOES—EFFECT ON DOMESTIC MARKET

Hon. John Wise (Elgin): Madam Speaker, may I put a question to the Minister of Agriculture further to the subject I raised earlier today which relates to the very serious situation in the province of British Columbia regarding the excess importation of Florida field tomatoes to the extent of displacing about 50 per cent of the domestic market.

Is the minister aware of the problem, and has he had any discussion with the British Columbia coastal vegetable marketing board? What action does he intend to take on this subject?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am aware of the problem. Our agricultural liaison officer is making an inquiry but I have not seen the report yet. I have seen the suggestion that the British Columbia marketing board or association made. They are asking for immediate border controls and we are considering that request at the present time.

Mr. Wise: A supplementary question, Madam Speaker. There is certainly no question about the seriousness of the situation or the action it warrants. I ask the minister to give me a commitment today that he will at least make a recommendation to his colleague, the Minister of Finance, to impose an appropriate surcharge on the importation of that particular product.

● (1500)

Mr. Whelan: Madam Speaker, we will be having further discussions later today, and from those discussions probably some recommendations will be made.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, could I ask the government House leader what his intentions are for business for the balance of today, this week and into next week, as far as he can see.

Mr. Pinard: Madam Speaker, as my hon. colleague knows, we will be dealing with the second reading stage of Bill C-30 today. Tomorrow in the following order we will study Bill S-2, an income tax convention bill which relates to many countries in the world, then Bill C-5, to amend the Bretton Woods Agreements Act and finally Bill S-6, to amend the Two-Price Wheat Act.

[*Translation*]

As for next week's business, as of Monday, and depending on the progress made in the House and in committees on other pieces of legislation, we should start consideration of an order relating to the establishment of a Ministry of State for Social Development placed under the responsibility of the Minister of Justice. We would then proceed to consideration of Bill C-22 to adjust the accounts of Canada, sponsored by the President of the Treasury Board and finally we hope to complete once and for all the Committee of the Whole stage of the employment tax credit bill and start second reading of the unemployment insurance bill sponsored by the Minister of Employment and Immigration.

[*English*]

Mr. Knowles: Madam Speaker, may I put a question to the President of the Privy Council that he has had from me before. On Monday of this week the Minister of Veterans Affairs, speaking at the dominion convention at the Royal Canadian Legion at Penticton, British Columbia, assured the members of the legion that he would soon be bringing in legislative measures with respect to veterans, and that he knew what had to be done. Can the President of the Privy Council underline that assurance and let us know whether the appropriate legislation will be before the House this month?

[*Translation*]

Mr. Pinard: Madam Speaker, I want to confirm that the minister knew what he was talking about and that he was speaking the truth.

[*English*]

Mr. McKenzie: Madam Speaker, I rise with respect to the matter raised by the two House leaders. I would like to ask the government House leader whether the Minister of Veterans Affairs has discussed the veterans affairs legislation in cabinet, because he said in Penticton on June 9 that he will soon be discussing veterans affairs legislation with the cabinet. We find it very strange that this has not been discussed in cabinet since he has been the veterans affairs minister since March and he has all the information contained in Bill C-28 dealing with veterans affairs legislation and what is required. The hon. member for Victoria, the former defence minister and veterans affairs minister, left $19 million in the estimates to deal with veterans affairs legislation.

Can the House leader inform us what is causing the delay and the problems within cabinet in bringing forward this veterans affairs legislation?

[*Translation*]

Mr. Pinard: Madam Speaker, I wonder what delay the hon. member is referring to. Everything seems to be going smoothly. The minister has made public his position which indicates his interest in the matter. He is doing all he can to speed up the process. Everything is going normally. What he said during the convention the hon. member mentioned is true and I wonder what delay he is complaining about. There is no undue delay and every week the hon. member for Winnipeg North Centre, who has a proven interest in the matter, asks me the same question. I always give him the same assurances, as I did today. I am doing the same thing for the hon. member.

* * *

[*English*]

POINT OF ORDER

MR. PAPROSKI—LOTTERIES AGREEMENT WITH PROVINCES—ANSWER OF PRIME MINISTER DURING QUESTION PERIOD

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I am sorry that the Prime Minister (Mr. Trudeau) has left the chamber because there was a particular question I wanted to ask him. It has to do with *Hansard* for June 11, 1980, when the hon. member for Joliette (Mr. La Salle) asked a question in regard to lotteries. The Prime Minister answered the question as reported at page 1989 as follows:

> Madam Speaker, I do not know if the minister has effectively asked that such a review be made. I would only remind the member for Joliette that a contract had been signed between Mrs. Campagnolo, the then minister responsible for lotteries, and the ten provinces.

I would like to bring to the attention of the Prime Minister that there was no agreement signed. The only agreement that

was signed between the provinces was one that was concluded by myself and two other ministers here. There was no other agreement signed by Mrs. Campagnolo. I think the Prime Minister might want to correct this statement himself. The only agreement on lotteries was made with the help of the justice department and also with the PCO under the jurisdiction of the Progressive Conservative government that was then in power.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): If I may, Madam Speaker, I shall convey the representations of the hon. member to the Prime Minister who will act upon them, if necessary.

Madam Speaker: I must point out to the hon. member for Edmonton North (Mr. Paproski) that he cannot have corrections made to the blues of another member of the House. It is up to that member to have corrections made, if he feels he was wrong in his reply.

[*English*]

Mr. Paproski: Madam Speaker, with all due respect to the Chair, it was not my intention to change the blues. All I wanted to do was to remind the Prime Minister that he had made an error, and I would like him to correct it.

* * *

PRIVILEGE

MR. HAWKES—REMARKS OF MINISTER OF EMPLOYMENT AND IMMIGRATION DURING CONSIDERATION OF BILL C-19

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have given you notice of my intention to raise a question of privilege. In reality I think there are four issues which affect the privileges of members of the House that have arisen during the course of debate on Bill C-19. I will take them in sequence.

First, I refer to pages 104 to 114 of Beauchesne, paragraph 319, under the heading "Referring to Members in Debate", and I read a small portion of that paragraph:

In the House of Commons a member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution;—

I believe the next few words are crucial. They read as follows:

—or to impute to any member or members unworthy motives for their actions in a particular case; or to use any profane or indecent language;—

After a cursory glance at *Hansard* for the last three days of debate on Bill C-19, I have in my hand a typed list of 37 instances in which I think the Minister of Manpower and Immigration (Mr. Axworthy) has been in contravention of that privilege. If I may, perhaps I could read two or three of those, Madam Speaker.

Madam Speaker: Order, please. Does the hon. member intend to refer to a question of privilege flowing from the discussion which took place in Committee of the Whole?

Mr. Hawkes: Yes, Madam Speaker.

Madam Speaker: In that case, the hon. member should have brought the subject up in Committee of the Whole. Therefore, I cannot hear him at this time.

Mr. Hawkes: Madam Speaker, some of these instances that I wish to bring up today were in fact brought up in Committee of the Whole. This particular one on the use of language was not.

Madam Speaker: In that case, the hon. member will have to indicate to me from what deliberations exactly his question of privilege flows. Under those conditions and if they do not flow from the deliberations in Committee of the Whole, I can hear him.

Mr. Hawkes: Madam Speaker, it will take me a minute to collect my thoughts. The instances in question in *Hansard* occur in the issues for June 2, June 5, June 9 and June 11. Some of the debates are not in Committee of the Whole but are in fact debates in the House. Does that change my situation in any way?

The second item I wish to raise is found on pages 22 and 23 of Beauchesne. It is the issue of influencing members. In debate there is an issue that was brought up in this House during question period for the first time by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, as pointed out in your remarks—

• (1510)

[*English*]

Madam Speaker: Order, please. A point of order can be brought up on a question of privilege, and I will hear the hon. member.

[*Translation*]

Mr. Dawson: Madam Speaker, as you pointed out, those are questions which have not been raised in Committee of the Whole. If the hon. member has any grievance concerning the proceedings in Committee of the Whole, he should raise the matter before the Committee of the Whole.

Madam Speaker: It is not clear even for the Chair what is exactly the matter in the remarks of the hon. member for Calgary West (Mr. Hawkes). I think we should listen to him very quietly and then I might be able to decide whether his question may be raised at this moment or some time later.

[*English*]

Mr. Hawkes: Madam Speaker, the issue which I wish to raise refers to articles found on pages 22 and 23 of Beauchesne under the title "Influencing Members". The particular article is No. 67. I wish to read just a short portion of that, as follows:

It is generally accepted that any threat to a member, attempting to influence his vote or his actions as a member, is a breach of privilege.

The issue raised by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) during question period was whether it was appropriate for the Minister of Employment and Immigration to seek advice from members of Parliament on the spending of public funds. Was it appropriate to send us a letter asking our advice on which make-work projects should be funded in our constituencies and which should not?

As the course of debate on Bill C-19 has proceeded, the kind of language used by the Minister of Employment and Immigration in addressing the members of this House has been unparliamentary in many instances. It is my view, and my question of privilege is based on this view, that the threat system implied in the attitude and the language is potentially influential of the actions of members of Parliament in terms of their decision whether to respond to the minister's request to propose certain projects to the exclusion of others.

There were two items raised yesterday in Committee of the Whole by more than one hon. member. They both referred to a situation which is important in the present atmosphere of the House. Today we are debating Bill C-30 under the provision of closure. The decision by this House to involve that provision was on the basis of lack of time for debate.

This House complied with the request of the Minister of Employment and Immigration that we move Bill C-19 into Committee of the Whole, which takes the time of the House. While we have been in Committee of the Whole, two things have occurred and these were raised yesterday. In the first instance, and on three separate occasions, the minister showed up without officials, without the kind of detailed information that is normally available to the committee. This resulted in constant repetition of questions, which eats up the time of the House.

Another phenomenon which has emerged and which was raised yesterday is that the Minister of Employment and Immigration tends to be overly lengthy in terms of his answers. The effect of that is that the government itself is eating up the time of the House.

Some hon. Members: Order.

Madam Speaker: Order. I have tried to listen to whether or not the hon. member has a question of privilege. The hon. member is not very precise as to what time the deliberations he was discussing took place and what exactly was said. The hon. member said very vaguely that something which he did not find acceptable occurred during the course of a certain debate. When he proceeded to try to be a little more precise, he was speaking of something, and even then it was not all that precise, which took place during Committee of the Whole.

I must tell the hon. member that a question of privilege flowing from deliberations that took place in Committee of the Whole have to be brought up at that committee. The hon. member was talking of deliberations flowing from Committee of the Whole. If the hon. member feels he does have a question of privilege flowing from other deliberations than those which occurred in Committee of the Whole, I can listen to it. Otherwise, I will have to say that he is out of order.

[*Translation*]

Mr. Dawson: Madam Speaker, on this same question of privilege, as you pointed out, this happened in Committee of the Whole. However, I suggest the allegations made by the hon. member, that the minister has attempted to influence hon. members because some programs, which have been in place for several years, call for consultation of hon. members, are very serious allegations indeed. I would like to point out to the hon. member that if we hear long answers on Bill C-19 and if the debate has been going on for five days, it is precisely because he tries to put multiple questions without really wanting to hear any answers. I suggest, Madam Speaker, that 22 hours of debate on a bill of this importance is enough and, hopefully, the hon. member will co-operate so that this House can deal with other matters.

Madam Speaker: The parliamentary secretary is also discussing something which happened in Committee of the Whole. If he wishes to raise grievances or a question of privilege on this matter, he should also do so in Committee of the Whole.

[*English*]

Mr. Hawkes: On a question of privilege—

Madam Speaker: Order. I cannot hear the hon. member twice on the same question of privilege. Those remarks were out of order. Therefore, I cannot allow the hon. member to rise on a question of privilege regarding remarks which I have just said were out of order.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLY AND SERVICES

TABLING OF CONTRACT CONCERNING NEW CF-18 FIGHTER AIRCRAFT

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, in accordance with Standing Order 41(2), I would like to table, in both official languages, copy of the contract concerning the new CF-18 fighter aircraft.

[*English*]

Mr. McKinnon: On a point of order, Madam Speaker, I wonder if I could ask the Minister of Supply and Services (Mr. Blais) whether these contracts which have just been tabled are complete and contain the annexes to the contracts.

Madam Speaker: The hon. member can only ask a question with unanimous consent as we are past the period for questions.

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: There is not unanimous consent.

Mr. Blais: On a point of order, Madam Speaker, I might indicate that the contract does not include all of the annexes that flow from A to K because of the immense volume. However, if the hon. member or any members of the House wish to obtain any of the annexes, they will be made available to them.

* * *

[*Translation*]

PETITIONS

REQUEST FOR LEGAL ACCEPTANCE OF IMPERIAL SYSTEM OF WEIGHTS AND MEASURES

Madam Speaker: I have the honour to inform the House that the Clerk Assistant has laid upon the table the tenth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Moose Jaw (Mr. Neil) and finds that it meets the requirements of the Standing Orders as to form.

* * *

JUDGES ACT

MEASURE TO INCREASE SALARIES OF JUDGES

Hon. Jean Chrétien (Minister of Justice) asked for leave to introduce Bill C-34, to amend the Judges Act and certain other acts in consequence thereof.

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

* * *

● (1520)

[*English*]

TRADE

ESTABLISHMENT OF PARLIAMENTARY TASK FORCE ON PROPOSED NATIONAL TRADING CORPORATION

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, this morning I had consultations with my colleagues and I wish to move a motion with the unanimous consent of the House relating to the creation of a parliamentary task force on the proposed national trading corporation. The motion is rather long but I understand that my colleagues have had an opportunity to look at it and that the unanimous consent for which I am asking exists. So, if there is agreement, I will move that motion right now.

Hon. Walter Baker (Nepean-Carleton): I have one question, Madam Speaker. In the draft I have, the words appearing in the first line read "a Special Committee of the House of Commons to be composed of seven members—" Does that appear in the motion the hon. gentleman intends to put?

Mr. Pinard: Yes, Madam Speaker. With regard to the parliamentary task force it is written here "a committee of the House of Commons".

Mr. Baker (Nepean-Carleton): Agreed.

Mr. Pinard moved:

That a Special Committee of the House of Commons, to be composed of seven members, be appointed to act as a parliamentary task force on a national trading corporation, to report finally no later than December 19, 1980, to examine ways in which a national trading corporation could improve Canada's export performance and to describe the functions that should be undertaken and the form that such a corporation should take and, more specifically, to consider:

(1) means of assisting small and medium-sized Canadian business to expand their export markets;

(2) what (if any) direct government participation and involvement is required, what kind, to what extent and for what period of time;

(3) the corporate structure and working relationship of any such trading corporation;

(4) the method of financing such a corporation;

(5) the role of the board's managerial and staff requirements of such a corporation;

(6) the over-all costs and benefits of creating a national trading corporation;

That the committee shall have all of the powers given to standing committees by section (8) of Standing Order 65;

That the committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the committee, its subcommittees and members of the committee have the power, when the committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the committee, subcommittee or members of the committee, as the case may be;

That the provisions of sections (4) and (9) of Standing Order 65 be suspended, unless otherwise agreed to by the committee, in application to the said committee;

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the committee is completed, the committee may make the said report public before it is laid before the House; and

That the members of the committee be Messrs. Cardiff, Deans, Flis, Lachance, Roy, Thomson and Tobin.

Motion agreed to.

TRANSPORT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I move, seconded by the hon. member for Saint-Jacques (Mr. Guilbault), that the second report of the Standing Committee on Transport presented to this House on Friday, June 6, 1980, be concurred in.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I would like to have the opportunity to look at this report. I would suggest that my hon. colleague introduce his motion another day.

[*English*]

Madam Speaker: Does the House consent to stand this motion?

Some hon. Members: Agreed.

Motion stands.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 138, 140, 143, 372, 620, 661, 698, 707, 788, 832, 844, 845 and 882.

[*Text*]

DERAILMENT AT MISSISSAUGA, ONTARIO

Question No. 138—**Mr. Turner:**

1. From which location did the CPR train which was derailed at Mississauga, Ontario, on November 11, 1979, originate?

2. Was an inspection performed on the train and, if so (a) what type (b) was it an over-all inspection plus a brake test and, if so, what type and where were the tests performed?

3. Was there a pull-by or a walked inspection made on both sides of the train at London, Ontario and (a) if not, for what reason (b) if so, was it made in a lighted area?

4. Were cars set-off or added to the train in London, Ontario?

5. Were any hot-box detectors passed over by the train and, if so, how many and what were their locations?

6. Is it normal procedure for only a three-man crew to be responsible for a train handling as many dangerous commodities and, if so, for what reason?

7. Is there a regulation determining what is an adequate number of crew members for trains handling cargoes defined as being dangerous commodities?

8. Were the cars handling the dangerous commodities equipped with friction or roller bearings?

9. Does the Department of Transport consider roller bearings to be safer than friction bearings and, if so, for what reason?

10. Was the crew informed of the location and contents of the dangerous loads and (a) if so (i) how many and what are their names (ii) by what means (b) if not, for what reason?

11. Is there a regulation that requires that combustible material will not be pulled next to toxic loads and, if not, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The question posed addresses the derailment of a CP Rail freight train at Mississauga, Ontario on November 10, 1979, into which Mr. Justice Samuel G. M. Grange is presently conducting an inquiry to determine, among other things, the contribution factors and causes of the derailment and the subsequent events involving dangerous commodities. In consequence, much of the information requested in the question will undoubtedly emerge in the evidence being adduced in the course of the inquiry. In so far as the Canadian Transport Commission is concerned, it wishes to advise as follows on those matters within its knowledge:

1. The train originated at Windsor, Ontario.

2. Mississauga Accident Inquiry.

3. Mississauga Accident Inquiry.

4. Mississauga Accident Inquiry.

5. One, located at mile 88.22 Windsor Subdivision, Haycroft, Ontario.

6. Mississauga Accident Inquiry.

7. No.

8. Both friction and roller bearings with most of the cars fitted with roller bearings.

9. Mississauga Accident Inquiry.

10. Yes (a)(i)

propane	—	21 cars
butane	—	2 cars
caustic soda	—	4 cars
toluene	—	4 cars
chlorine	—	1 car
fuel anti-knock formula	—	1 car

(ii) by three avenues of communication,

(1) waybills,

(2) Hazard Information Emergency Response Forms which must accompany each shipment under CTC regulations, and

(3) each shipment and its location is identified on train consist issued to the train crew.

(b) not applicable.

11. CTC regulations require separation between certain classes of regulated commodities in the marshalling of trains. CTC designated classification system does not utilize terms "combustible material" and "toxic". If question seeks to determine whether chlorine and propane could be placed next to each other at the time of the accident, the answer is affirma-

tive but this is no longer permissible and a five-car separation is required between these two commodities by order of the commission.

VIA RAIL—PASSENGER ACCOMMODATION

Question No. 140—**Mr. Turner:**

1. Is the management of Via Rail Canada aware of any instances where persons were forced to stand on its trains due to the lack of seats and, if so (a) on what trains did the occurrences take place during the past year (b) did the occurrences take place on a regular basis such as once a week or more on any one train?

2. Has Via Rail Canada taken steps to try and alleviate this problem and, if so, what are they?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. See table below.

2. Yes. Peak periods are identified and in practically all cases, enough seats are available.

Overcrowding (Coach)

Train	Date	From	To	Reason
61	February 2/80	Montreal	Toronto	Extra coach not added to train due to lack of communications
72	December 29/79	Windsor	Toronto	No extra equipment available
53	January 2/80	Montreal	Toronto	Due to late arrival of trains 11 and 15 from Eastern Canada—train at limit
75	August 19/79	Toronto	London	Week-end peak travel—no extra equipment could be added—train at full limit
15	July 27/79	Halifax	Moncton	Peak travel—train at limit
78	March 13/80	Windsor	Toronto	Hockey tournament in Toronto—train at limit
55	March 23/80	Montreal	Toronto	March break—train at limit
35	March 23/80	Montreal	Ottawa	March break—train at limit
32	March 8/80	Ottawa	Montreal	March break—additional equipment not available

VIA RAIL—INCENTIVE PAYMENTS

Question No. 143—**Mr. Turner:**

Does Via Rail Canada have an agreement with the railways whose track Via Rail trains travel over that involves incentive payments to the railways to keep Via Rail trains on time and, if so, what is the agreement and how are incentive payments determined?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Via Rail Canada, Inc. has an agreement with the railways that provides for financial incentive payments to encourage the railways to improve train performance.

It is possible for the railways to earn up to 10 per cent of Via's gross revenues for improved train performance.

The incentive payments are determined by comparing present train performance to historical train performance which was generally based on the train performance under railway management for the period 1975 to 1977 inclusive.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—SX CLASSIFICATION

Question No. 372—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Consumer and Corporate Affairs (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

1. (a) 28
   (b) (i) 5
   (ii) 2
2. (a) 27
   (b) (i) 5
   (ii) 2

3. Hereunder is a list of the structural changes in the department since March 31, 1979.

(1) The Bureaus of Corporate Affairs and Intellectual Property were amalgamated, but this had no effect on the number of SXs employed as one of the two ADM position was vacant at the time and has since been abolished.

(2) Field operations was merged with Consumer Affairs Bureau. This reorganization had the effect of reducing the number of SXs employed by one with the elimination of the position ADM field operations.

DEPARTMENT OF NATIONAL REVENUE—LAWYERS

Question No. 620—**Mr. Howie:**

How many lawyers are employed on staff in the Department of National Revenue?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue): There are no lawyers employed on staff in the Department of National Revenue. The Department of Justice has, however, assigned a total of 14 lawyers to provide the day to day legal counsel required by the customs and excise and taxation divisions of the department.

ESTABLISHMENT OF ADDITIONAL UIC OFFICE IN NEW BRUNSWICK

Question No. 661—**Mr. Howie:**

Since January 1, 1978, have studies taken place regarding the possible establishment of an unemployment insurance office in Oromocto, Minto, or an additional location in Fredericton, New Brunswick?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): The further extension of

services to Fredericton north, Oromocto and Minto has been the subject of investigation by Employment and Immigration since January 1, 1978.

Currently Oromocto, which is located 12 miles from Fredericton, is covered by a two-day-per-week itinerant service to Canadian Forces Base, Gagetown, designed to assist long-term servicemen and officers to prepare themselves for a second career. Minto is served by a branch office which provides employment services and accepts unemployment insurance inquiries and applications.

An examination of the need for services in Fredericton north and Oromocto indicates that the residents of both localities have reasonable access to the main CEC, that the vast majority of job opportunities are in Fredericton and that there is an insufficient number of claimants to warrant the establishment of separate offices to provide unemployment insurance services.

The possibility of reallocating some resources from the Fredericton office to the centres in question has also been considered. However, it has been concluded that such moves would not significantly improve the service to the residents of these centres and would cause a serious deterioration of service at the main office.

EIC will continue to evaluate this situation in light of changing conditions.

DIAND—PROFESSIONAL SERVICES CONTRACTS

Question No. 698—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Indian Affairs and Northern Development for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. Thirty-nine contracts were let by the department for professional services to persons who have been employed in indeterminate positions within the past five years.

2. (a) Less than one year: 39;
   (b) None;
   (c) None.

3. Twenty-one contracts were let outside the NCR

4. Total cost of all such contracts is $172,896.

MR. J. D. NOAH

Question No. 707—**Mr. Clarke:**

1. Is Mr. J. D. Noah employed in the Department of National Defence and, if so, what is his function?

2. Is Mr. Noah associated with J.D. & O. Noah Limited and does he conduct company business on government owned telephone lines and, if so, what disciplinary action does the minister intend to take to ensure that Mr. Noah ceases such unauthorized use of the government telephone system?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes. Mr. Noah is employed as an administrative services officer within the directorate of documentation and drawing services at National Defence Headquarters.

2. Yes. Mr. Noah is president and chief executive officer of J.D. & O. Noah Limited. There is no evidence that he has ever conducted business using government owned telephone lines. Mr. Noah is fully aware that unauthorized use of government lines for the firm's business dealings is unacceptable.

FRANKING PRIVILEGES

Question No. 788—**Mr. de Jong:**

Has the Postmaster General considered allowing franking privileges to members of provincial legislatures?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): No.

CFB GAGETOWN PERSONNEL

Question No. 832—**Mr. Howie:**

On January 1 (a) 1978 (b) 1979 (c) 1980, how many (i) civilian permanent (ii) military (iii) civilian temporary personnel were employed at CFB Gagetown?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): As of March 31:

		(a) 1978	(b) 1979	(c) 1980
(i)	Civilian permanent personnel	677	669	674
(ii)	Military personnel	3188	3159	3025
(iii)	Civilian temporary personnel	564	293	151

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS GRANTS

Question No. 844—**Mr. Howie:**

Since September 1, 1978 did the Department of Consumer and Corporate Affairs make any grants to any persons or organizations in New Brunswick and, if so, to whom and in what amounts?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): The following contributions have been made:

1. Information Metro Moncton	$9,000
2. Le Centre de communication et d'information mobile	$13,000
3. Le Comité de justice sociale	$2,000

Order Paper Questions

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS FIELD WORKERS

Question No. 845—**Mr. Howie:**

How many field workers of the Department of Consumer and Corporate Affairs are employed in New Brunswick?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Twenty-three (including inspectors, officers and support staff).

NEW FIGHTER AIRCRAFT CONTRACTS

Question No. 882—**Mr. Wenman:**

What percentage of the new fighter aircraft contract will be spent in the four western provinces and (a) what will be the amount in dollars (b) what type of work will be involved?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): (a) and (b) New fighter aircraft (CF-18) industrial benefits have not been estimated specifically for the four western provinces but Department of Industry, Trade and Commerce have estimated that Canadian provinces other than Quebec and Ontario will share some $400 million—11 per cent to 12 per cent—of the new business created by the McDonnell Douglas offset program.

Approximately $1.3 billion of benefits remain to be allocated before the program formally ends in December, 1995. The western provinces share of that business depends largely on the imagination, aggressiveness and competitiveness of the companies there, and the encouragement and assistance which provincial governments provide to companies in their jurisdictions.

Western companies have already received NFA industrial benefits in the form of airframe and engine component production subcontracts; and the transfer of cryogenic technology to aid in pipeline design and construction. Opportunities are being provided to western companies to compete for: CF-18 engine and airframe assembly work; commercial transport structural manufacture; the provision of computer software; the transfer of advanced technology related to grain and woodpulp drying; solar and wind energy; metal-plating and medical diagnostic systems; investments in new facilities to manufacture plastic molds and glass components for the electrical industry and tourism to Canada which McDonnell Douglas has undertaken to promote at home and abroad.

* * *

[*English*]

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker would you be good enough to call starred question No. 868?

[*Text*]

*EEC—TARIFFS ON CANADIAN GROUNDFISH

Question No. 868—**Mr. Gass:**

1. Has Canada held meetings with the European Economic Community aimed at the elimination of tariffs on Canadian groundfish by the EEC and, if so, on what dates and in which locations did the meetings take place?

2. What did Canada offer in return for such tariff concessions by the EEC?

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, the answer is in two parts. 1. Negotiations between Canada and the EEC have been under way since 1977, with meetings held alternately in Ottawa and Brussels. The current phase began with a meeting in Brussels January 31 to February 1, 1980. A second session took place in Ottawa, April 24 and 25, 1980. Further negotiations are expected to take place in the near future.

2. Canadian objectives to be covered in the bilateral agreement include provisions concerning the protection of Canadian interests in stocks beyond the 200-mile limit; protection for Canada's Atlantic salmon; and reduction of tariffs on Canadian fish products to the lower levels which apply to Canada's major competitors. To obtain these concessions we would be expected to establish allocations to the EEC at an agreed level off the Atlantic coast for a limited period of time. As negotiations are still in progress the details are, of course, confidential.

[*English*]

Mr. Collenette: Perhaps, Madam Speaker, the other questions could be allowed to stand.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed, from Tuesday, June 3, consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I closed the debate on Bill C-30 on June 3, 1980, and I wish to continue today to speak briefly on this billion borrowing bill. We have yet to hear any proper explanation as to why there should be a requirement for $12 billion. We are not accepting this bill sitting down because there should have

been a budget presented by now, and as far as we are concerned on this side of the House this is a very irresponsible act.

I would like to go into a little history as to why we find ourselves in this ridiculous position today of uncontrolled spending, endless borrowing, the printing of more money and what have you. It goes back to 1969 when the rule changes were brought into the House, having the effect of ruling out proper examination of departmental expenditures. At that time, rule changes were rammed through by the use of closure and the Canadian people have been suffering as a result of the move ever since, Madam Speaker.

I would just like to point out that we—

The Acting Speaker (Mr. Blaker): Order, please. I promised I would do this favour for myself. The hon. gentleman referred to me as Madam Speaker and after two months I wondered whether one of these days I might address the hon. lady and ask whether she is rising on a point of order.

Some hon. Members: Oh!

The Acting Speaker (Mr. Blaker): On behalf of other hon. members who serve in the chair, we would appreciate the minor recognitional difference.

Mr. McKenzie: Thank you, Mr. Speaker. One of your colleagues said, "I don't see the difference"! Well, I do see the difference and as far as I am concerned you are a man, so I will correct your Liberal colleague on the other side of the House. My apologies. We are just getting used to saying "Madam Speaker" and now we have to refer to both.

Another thing Mr. Speaker, which was started by the Liberal government of 1963, was the dock workers' strike in Montreal. That started wage demands right across the nation and began the inflation spiral. We are getting into the same situation with the letter carriers' strike which will cost some $36 million in the first year. Now everybody will be in line for the same type of settlement. So we can see what the Canadian people are going to be facing in the years to come with inflation, uncontrolled spending, borrowing, the printing of more money. Many Canadians think that when we talk in figures of billions they will not be affected. But I am going to give a little breakdown on that, Mr. Speaker, to point out how it does affect them. It is the Canadian taxpayer who is paying for all this; it is not somebody else who is paying for them.

Another possible jolt we might be in for, Mr. Speaker, is the talk we hear these days that inflation indexing will be removed from the income tax. I just want to give some idea of what it will cost some individual taxpayers if this indexing is removed. At the present time if a person's real income is $10,000, on the removal of indexing he will be paying an additional $156 a year. In five years from now he will be paying an additional $896. If a person is in the $30,000 bracket, within five years he will be paying an additional $2,740 in taxes. So we are starting on another inflation spiral, tax increases and what have you.

I would like now to refer to some remarks that were made by the former finance minister, the hon. member for St. John's West (Mr. Crosbie). He pointed out earlier in this debate that when he was finance minister last October and had asked the House for $7 billion borrowing authority to meet the earlier Liberal budget obligations—not his own—the present Minister of Industry, Trade and Commerce (Mr. Gray) pointed out that we needed no more than $3.5 billion.

● (1530)

The question here is how in seven months the government's borrowing needs have jumped from $3.5 billion to $12 billion. We have had no explanation from any government members, from the Minister of Finance (Mr. MacEachen) or from the Minister of Industry, Trade and Commerce for this huge jump in such a short period; the government is asking us to blank-cheque this borrowing authority for $12 billion with no explanation for that huge increase.

I would just like to refer to a recent American *Reader's Digest* article which explains what causes inflation, uncontrolled borrowing and why we have to print so much money. I just want to read a couple of paragraphs which explain in explicit detail just what causes inflation and how some governments have lived within their means, have been able to control inflation and are not having endless and uncontrolled spending and borrowing.

Mr. Speaker, the article I mentioned reads in part as follows:

> Inflation in western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four per cent; Switzerland, below two per cent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the post-war era there have been four major instances of inflation being brought under control.

> West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

The fourth one, and the best record of all governments, was that of the Diefenbaker government. It had a world record of keeping inflation down as low as 1.2 per cent because it did not have blank-cheque government. It did not encourage government empire building. What that means is that each cabinet minister was not handed a blank cheque just to go on to endless and uncontrolled spending.

Unfortunately, neither France nor the United States stuck to its guns against that old predilection of politicians to give social benefits without taxing. There are just two countries in the world today that have proper inflation rates.

I just want to go into the deficit a little further and into why we unfortunately have this borrowing bill here today. A deficit occurs when a government spends more money than it collects

over the course of the year. The deficit this year is to be around $12 billion. What that means is that this government has put us into the ridiculous position of its spending $1 billion a month more than what it takes in in revenue. You could not possibly become any more irresponsible.

This year's deficit is equal to $473 per capita or $1,282 per taxpayer, or $30.7 million a day. These figures are probably a little out of date and probably have gone up considerably since this government took office in February.

In 1978-79 the government had a deficit of $12.1 billion, more than total spending the year before the present Prime Minister (Mr. Trudeau) came to office. There were deficits in ten of the 11 Trudeau years.

When an individual citizen, a businessman or a government spends more than they receive in revenue they must borrow money to pay debts. The government's debts grow year by year when the financial accounts continue to show a deficit. There are two commonly used definitions of government debt. While net debt is the more frequently used, either is correct as long as the user indicates which definition he is using.

The gross national debt figure includes all liabilities incurred by the government, including bonds, treasury bills, accounts payable, accrued salaries and future pension fund obligations. As of March 31, 1979, the gross national debt was almost $98 billion, $4,145 per capita or almost $12,000 per taxpayer a year. Roughly, that breaks down to $1,000 per month, and rising, for each taxpayer in Canada. They can think about that, Mr. Speaker. There were many people who thought in the last election that they were going to get cheap gas and so on by returning this government but I can assure them nothing is going to come cheap. It is costing them $1,000 a month to pay for this huge debt with money they do not have.

The net debt figure is obtained by subtracting assets from the gross national debt. On March 31, 1979, the net debt was over $55 billion, $2,361 per capita or $6,371 per taxpayer. The net debt under Liberal governments over the last 11 to 12 years has increased by 231 per cent and, of course, this will be increasing dramatically because they have only been back in power for a short period, since March 4. They really have not had an opportunity to get going yet, but watch out, they are just getting warmed up!

Interest on the public debt will be about $8.5 billion this year and $10.2 billion next year. Twenty-two cents out of every tax dollar is used to pay interest on the debt. Interest on the public debt costs $1 million per hour. The annual cost is $356 per capita and $964 per taxpayer.

Any interested taxpayer can read my speech and some other excellent addresses that will be following this afternoon on these figures, they can sit down and analyse them and just study what this government is costing them. They will then realize that nothing is going to be cheap with this government. They are going to be paying through the nose for all time to come.

I want to congratulate the hon. member for Esquimalt-Saanich (Mr. Munro), who has dug up some very interesting figures on what the deficit is costing every Canadian. The net debt per capita of this country is almost $2,400. Every man, woman and child in this country owes and will have to meet a debt charge of, to be exact, $2,360 in 1979. We do not have the 1980 figures yet. This is a matter which causes us grave concern and alarm. I refer not only to this Parliament but also to the people of Canada.

In the last government under the Leader of the Opposition (Mr. Clark), Mr. Speaker, corrective measures were taken and, unfortunately, they have all been dropped by this Liberal government. The former president of the Treasury Board, the hon. member for York-Peel (Mr. Stevens), has projected that without the realistic budgetary moves proposed by the former minister of finance, the hon. member for St. John's West, the federal deficit in 1984 would be $18 billion. For fiscal 1980 the estimated deficit is $11.8 billion, without the budgetary measures contained in the Crosbie budget. With the measures the deficit would have been held to $11.25 billion.

We were off in the right direction with starting to cut back on some of the uncontrolled spending. Since last July the Progressive Conservative government had saved one-half billion dollars. Even under the Crosbie budget the public debt would have grown by 22.6 per cent in the next four years. The deficit would not have dipped below $9 billion by 1984.

The cumulative effect is even more alarming. Without the Crosbie budget the federal deficit will exceed $27 billion between 1980 and 1984. The four-year accumulated deficit represents an addition on the net debt of Canada which, even with the Crosbie budget's restraint measures, will rise from $55.8 billion in 1979 to $105.6 billion in 1984. That is almost doubling, Mr. Speaker, so you can see the dangerous path that successive Liberal governments have this country on. Without the Progressive Conservative budget the net debt would have reached $133 billion by 1984, more than 25 per cent over the forecast level.

Unfortunately, that budget was defeated and now we are back to the old Liberal way of doing things. We are removing any and all controls, and this is confirmed each year when we receive the report of the Auditor General.

Hon. members opposite ask many questions of us on this side. They ask what social programs we would cut back. That statement is becoming very outdated. It tries to give the Canadian people the impression that the only thing on which we spend money is social programs. That is absolute nonsense. There are many areas where we could cut back on federal government spending. One of the things that the Clark government had planned to do was to implement all the recommendations in the Auditor General's report and the Lambert commission report, both of which have always highlighted the fact that they cannot find out where half the money is going, that there is no control. They have said that repeatedly in all their reports.

● (1540)

Another serious problem which was pointed out by the Auditor General recently is that the productivity figure is down to around 65 per cent. We hope this is something on which this government will be working. Increased efficiency and productivity will be a start in reducing some expenditures. This has been brought out on a regular basis.

Over $1 billion has been spent annually by Liberal governments on outside consultants. We do not believe that is necessary when we have 550,000 civil servants. We have sufficient expertise in the government not to have to resort continually to that number of outside consultants. Of course, some consulting work has to be done from outside, but not to the tune of $1 billion.

Another area in which we could cut back in expenditures is the costly metric conversion program. Some excellent speeches have been made here recently in which hon. members have pointed out how wasteful and costly the conversion program is and how we could cut back on it.

Also, there are many cases of totally unnecessary Statistics Canada surveys. There are hundreds of them around and we question the need for them. They ask many personal and unnecessary questions. We could cut back on those surveys.

We question the need for some 431 Crown corporations, many of which have outlived their usefulness. There should be a complete review of these Crown corporations. Canadian taxpayers are paying for many that are simply not required.

Another costly area which has been allowed to continue to run out of control is public works. A stop should be put to the rental of unneeded office space across Canada. The former minister of public works, the hon. member for the Yukon (Mr. Nielsen), had started on a program to reduce the unnecessary rental of unneeded office space, but unfortunately he did not have time to complete his program fully. It would have resulted in the saving of millions of dollars.

Duplication is another unnecessary cost that taxpayers have to cover. It occurs at all three levels of government—municipal, provincial and federal. I want to congratulate the former prime minister because the agenda of the meeting which he was going to have around December 15 contained an item concerning the duplication of forms which was to have been discussed with the premiers with the purpose of eliminating much of it within governments.

I should like to give you, Mr. Speaker, an example of what happens in some businesses with government forms. One example is Chevron Canada Limited which has to complete 491 monthly, quarterly and annual reports for the federal government, which are then inspected by 14 federal agencies, 19 provincial agencies, and eight municipal departments. This apparent duplication of government inspection and excessive paperwork must be monitored more closely and reduced. But I doubt that this will happen under the present government. The cost of filling out these forms and processing them costs businesses and governments millions of dollars annually, a cost which is, of course, passed on to the taxpayer or the consumer in one form or another.

I will give another example of overlapping and duplication, Mr. Speaker. There is a consortium of seven major oil companies. Their contract was cancelled. It was a promising $60 million contract for a drilling program off the Labrador coast in 1977, because Ottawa and Newfoundland both seek control over offshore mineral rights. In Quebec public housing projects worth $150 million were blocked for as long as four years by disagreement between federal and provincial agencies. Residents of some 20 communities were denied cable television for three years while officials in Winnipeg and Ottawa fought over the ownership of a certain type of cable equipment. All this duplication and overlapping goes on endlessly. These are just a few examples of what the government should consider. It has nothing to do with social programs.

Another area that is costing the Canadian taxpayers millions of dollars due to the direct neglect of successive Liberal governments is a program which was introduced by the Diefenbaker government back in 1958. I am referring to the roads to resources program which was to open up the north. In the 1950s it was identified that the oil shortage and the energy crunch was going to come in the early 1980s. Whoever predicted that knew what he was talking about because in this regard we have a very serious problem in this country. This program was laughed at by the Liberals. When they formed a government in 1963, the roads to resources program was dropped and the government started relying on imported oil. Today Canadian taxpayers are paying around $9 million a day for imported oil. With increased consumption and no proper conservation plans, the cost will increase.

So you can see, Mr. Speaker, the enormous costs we are incurring. Any taxpayer who thinks he will have cheap gas and will not have to pay 15, 16 or 18 cents a gallon more is indirectly paying a subsidy which is costing Canadians millions of dollars a day. That will continue under the present government.

Another staggering figure is cost overruns. The former president of the treasury board had done a lot of work on this and had started corrective measures. Last year, cost overrums cost the Canadian taxpayers $1.062 billion. This matter has been raised repeatedly in the House and we really do not know whether or not the present government has taken any corrective measures because we have received no constructive answers from the President of the Treasury Board (Mr. Johnston). There were around 497 projects with cost overruns. So any one who says there is no control is not exaggerating. That is exactly what it is.

I want to explain what the Clark government inherited when it took office last year. On taking office in June of 1979, the Clark government was presented with a federal financial situation far more serious than that acknowledged by the preceding Liberal administration, and worse than expected by the most pessimistic of forecasters. The new government found that the budgetary deficit was out of control, that the accounts of Canada were in disarray, that expenditure control systems on

many capital projects had completely broken down and that the federal government was committed to some "quite untenable financial situations." Further, the new government discovered that the economic forecasts of the previous Liberal administration were so inaccurate as to significantly misrepresent the actual state of the economy. That is what they have done to the Canadian people in the last 17 years.

The financial skeletons were revealed during the transition between the Liberal and Progressive Conservative administrations. For the most part, the ugly financial surprises were based on information unavailable to the public during the life of the previous administration. The new information placed constraints on policy initiatives planned for the first year of the Clark administration. In place of the previous practice of burying the problem by stamping "secret" on the file, the new government accepted the responsibility of cleaning up the financial wreckage left by its predecessor. But all that has gone down the drain now and they are at it once again.

When the Clark government took office with only two months of the current fiscal year elapsed, 50 per cent of the reserves were committed, leaving a new government with very little room to manoeuvre. Moreover, many of the claims on reserves made by the Liberal administration represented reversals of planned spending intentions. More than $100 million of the so-called spending cuts of the Liberal administration announced in August, 1978, were reversed between the presentation of the main estimates in February and the beginning of the election campaign in March. Further claims on reserves were the consequences of fundamentally unrealistic economic forecasts of inflation and real economic growth.

● (1550)

I do not think members of the government really understand the role of an elected official, but no matter what level of government, a member's first responsibility is respect for the taxpayer in dealing with his tax dollars. Certainly there has been no respect shown for Canadian taxpayers under any Liberal administration going back to 1963. Canadian taxpayers have been treated with contempt over the years.

There was a real period of uncontrolled spending in the Twenty-ninth Parliament under the Liberal-NDP coalition. In that period federal spending increased by some 50 per cent. One of the largest percentage periods of growth was in that 20-month period. Thus, I get somewhat of a laugh out of members of the NDP saying that they are opposing this closure method, that they do not want to give the government a blank cheque. They certainly had no hesitation in handing the Liberals a blank cheque in the Twenty-ninth Parliament. They are just as responsible as the Liberals for the mess in the country today.

Successive Liberal governments have left us with the following: In 1970 Canada was the third richest nation in the world, behind only Sweden and the United States. By 1978 we had fallen to eleventh place. Under successive Liberal governments the growth in the GNP per capita was one of the worst in the world. We stand eleventh in the list of rich nations today. The government have managed to let us drop down each year to eleventh place from second and third.

Another record is the unemployment rate of Canada which was 8.4 per cent in 1978. It was the highest of any major industrialized nation. They have broken all records, but their records all go in the wrong direction. They have not accomplished anything of real success. There is more debt, high unemployment, more borrowing, more printing of money, all kinds of empty office space, rampant inflation and duplication. It just goes on and on.

For the purposes of comparing Canada with another country, the United States with ten times the population is concerned about a deficit that is only slightly larger than that of Canada's. They had $15.8 billion versus $10.5 billion for 1980-81. The United States deficit was cut in half this year. Unlike Canada, the Americans are likely to balance their budget within the next few years. The record of the Liberals is very disgraceful.

As I mentioned earlier, probably the indexing will be eliminated. This will cause huge tax increases. It will pay for the uncontrolled spending, the $12 billion debt and whatever. According to many columnists, we cannot rule out tax hikes. Mr. Don McGillivray, an economic columnist, pointed out that he figured the index change would mean a $1,000 increase, and on and on it goes.

We have another Mickey Mouse arrangement in the House. The President of the Treasury Board wrote a profile a number of years ago. His book was entitled: "Fiscalamity". At that time he was opposed to uncontrolled government spending. He pointed out how it affects the country with inflation and whatever. Then he ran as a Liberal candidate and ended up as President of the Treasury Board. What he said in his book and what he did after were two entirely different things. It is too bad he does not practise what he preaches.

I understand there are a number of other members of the Conservative party who wish to speak this afternoon, so I will bring my remarks to a close and welcome the next Conservative member.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it gives me great pleasure to rise this afternoon to speak in support of Bill C-30. As this is my maiden speech, I hope Mr. Speaker will bear with me. Indeed, I hope all my colleagues will.

Some hon. Members: Hear, hear!

Mr. Tobin: I also hope all my colleagues in this House will bear with me if at times I stray ever so slightly from the topic at hand.

First of all, I want to take this opportunity to thank my constituents of Humber-Port au Port-St. Barbe who have bestowed on me the great privilege of representing them in the nation's capital. I consider it a great honour and a very sober responsibility to ensure that the needs of Humber-Port au Port-St. Barbe are heard loud and clear in this most distinguished chamber.

An hon. Member: They made the right choice.

Mr. Tobin: I think it is worth pointing out, at this historic time in our history when the Prime Minister (Mr. Trudeau) and the premiers are seeking to renew the national commitment to confederation and the national commitment to Canada, which collectively is much greater than its individual parts, that at 25 years of age I am the only Newfoundland member of Parliament who was born a Canadian. I am proud of that. I am proud to be a Canadian, but my sense of loyalty and pride in Canada is no greater than that felt by all those people in Newfoundland who became Canadians by way of a democratic vote in 1949. The people of Newfoundland and Labrador look forward to repatriation of the constitution quickly. They look to our first ministers to recommit themselves to confederation. Any Newfoundlander who would suggest otherwise is a spokesman divorced from his people; let there be no question of that.

While we in Newfoundland and Labrador were certainly the last to join this great confederation of people, we will be among the first to stand up and voice our support for Canada should we be given that opportunity. We are proud to be recognized for our unique music, tradition and history. Also we are proud to be recognized as just over a half million of Canada's best Canadians.

In the year 1949, the year Newfoundland joined confederation, five years before I was born, a great Canadian addressed this House of Commons. His words of warning then are more relevant this day than ever before. I should like to quote from *Hansard* of February 15, 1949, which reads as follows:

> In the country today, and I am not referring to anything that has been said in this debate, there is I suggest a tendency, a very dangerous tendency in my view, to stir up the feeling that the provinces and the dominion are somehow and in some way hostile to each other; that the people of Canada as represented in this Parliament are in some way different from the people of Canada as represented in the provincial parliaments; that there is, for instance, some inevitable conflict between my duty and loyalty as a resident of this province and my duty and loyalty as a Canadian. I suggest that there is great danger to national development in that trend and in that sort of talk.

Those words of wisdom were spoken by the Right Hon. Lester B. Pearson on February 15, 1949, and I think they are very relevant today. Mr. Pearson went on to quote Mr. Drew, the leader of the opposition in 1941, who said:

> The time has come to start thinking as Canadians. Those who deliberately seek to arouse province against province, race against race are disloyal to Canada—

I want to say a few words about Bill C-30, but first I hope Mr. Speaker will permit me to talk for just a moment about that part of Canada that is Humber-Port au Port-St. Barbe. It stretches from Cape Norman on the Strait of Belle Isle in northern Newfoundland, all the way down the west coast to Cape St. George, St. Georges Bay. It is a rural, rugged and beautiful coastline along which some 85,000 people earn their living and make their homes. It is that part of Newfoundland which those of us who live there refer to as God's country.

• (1600)

To the north in my riding, one will find Gros Morne National Park, a mountainous land of almost untouched and unspoiled beauty. I would recommend that you, Mr. Speaker, and all hon. members present visit that national park and meet the people who live in the communities within the boundaries of that park. I see the minister for parks shaking his head.

Farther north, hon. members will find the many fishing communities of the great northern peninsula and the fierce, independent, hard-working people who make their living from the sea. They are proud Newfoundlanders and proud Canadians, as are the people of the Port au Port Peninsula. There too, one will find a thriving and growing fishing industry. It is also there that one would delight in finding the only French-speaking communities in all of Newfoundland.

Should you visit my riding, Mr. Speaker, no doubt you will want to visit the beautiful Bay of Islands area and meet and talk with my many friends there. From the Bay of Islands, one will find that he is just minutes away from the city of Corner Brook, the western capital of Newfoundland. Corner Brook is located at the mouth of the Humber River where the west coast city began in the 1920s and has grown ever since. Bowater's paper mill in Corner Brook is one of the largest in the world, and Bowater Newfoundland Limited, as a result, is the largest single private employer in Newfoundland. It is in Corner Brook where the importance of Newfoundland's forestry resource can be fully appreciated. Indeed, there is no doubt that our fishing and forestry resources are the backbone of the economy of, not only Humber-Port au Port-St. Barbe, but all of Newfoundland.

Also in my riding, Mr. Speaker, you will find the two airport towns of Deer Lake and Stephenville. Both of these towns look forward to continuing to service the air travelling public in the northern and southern extremes of my riding. Deer Lake and Stephenville are small towns, but they have a great deal in common, as they are a people determined to go forward, seeking to maintain stability and a sound economic base for future growth.

There are many more communities I would like to talk about; however, time does not permit. I am proud of the district and of the people I represent in this House. I have great confidence in the future of Humber-Port au Port-St. Barbe and, more importantly, the people of Humber-Port au Port-St. Barbe have great confidence in themselves. I shall work to secure assistance from the Government of Canada, as much as is reasonable, and we are a reasonable people. I will seek to secure assistance that will ensure the people of my riding are given every opportunity to grow and prosper.

It is time for me to turn my thoughts and remarks to the business at hand, Bill C-30. I would like to voice my support for the approval of the $12 billion supplementary borrowing authority. But first let me take just a moment to comment on some remarks made by the hon. member for St. John's West (Mr. Crosbie), who has taken the liberty of referring to the Prime Minister as "the Count Dracula of the Canadian economic system". I think that one could better equate the efforts

of the Prime Minister and, indeed, the efforts of all members on this side of the House with those of that distinguished organization, the Canadian Red Cross. Since our election in February, this government has been providing the transfusion so badly needed by the Canadian economy and the Canadian people after their near fatal accident with the Tory government.

As part of the transfusion process I talked about, the government requires the authority to borrow $12 billion to meet the projected financial requirements for 1980-81 as outlined by the Minister of Finance (Mr. MacEachen) on April 21 and to allow us some margin for contingencies. I think that members opposite must realize that it would indeed be foolish for a government not to have such authority, as it has had in the past, to have the ability to deal with an emergency should one arise. I feel confident in saying that this government has the wisdom and good sense to spend this money only when and where it is needed.

I would like, Mr. Speaker, to point out to the hon. members in this House, especially those who were here during the last Parliament, that the estimates for the 1980-81 expenditures are based on the figures produced by none other than the hon. member for St. John's West. This government recognizes that now is the time for action and it has wasted no time in tabling the estimates so that all members of this House might examine and approve them. In this regard, the government also recognizes the necessity of passing this bill as quickly as possible in order that we may proceed to other important matters.

This government has not delayed in implementing programs which are desperately needed. Operating on a shoe string budget, a situation left to us by the previous government, the Minister of Employment and Immigration (Mr. Axworthy) has succeeded in introducing a new series of measures to provide relief to those Canadians facing unemployment. Ridings similar to my own all across Canada have unemployment figures the same as the figure in my riding of over 15 per cent, and they would welcome this announcement. This winter my riding can, for example, look forward to receiving funding under the new Canada employment program for community development projects, a program designed to aid people living in areas of high unemployment. In the coming year, this program alone will provide employment for 15,500 Canadians.

In addition to some of the short-term measures, the Minister of Employment and Immigration has already begun work on long-term employment strategies for the coming decade. Indeed, I am proud to be participating in the formulation of these long-range plans as a member of the parliamentary task force on critical skills for the eighties. I would like to mention that, after only a couple of sessions, I for one welcome the serious, no-nonsense, non-partisan attitude of all seven members of this committee who collectively represent the three parties in this House.

Continuing with the matter of federal expenditures, I would like to stress that the economic development of the west coast of Newfoundland, indeed of all Newfoundland, for the moment is dependent on the support it receives from the federal government. And it is through the expenditure of these federal funds that regional disparity can be countered. However, we in Newfoundland and Labrador look forward to the day very soon when we are economically self-sufficient. We look forward to the day when we have the capital at our disposal to develop the great fishery and forestry and other resources in our province to their maximum potential. This will come about through the development of oil resources off the shores of Newfoundland and Labrador.

We in Newfoundland and Labrador view this resource potential as a means to strengthen the economic and social fabric of our province. As Canadians who for so many years have benefited from the tax dollars of other provinces, we look forward with pride to sharing the benefits of any offshore development with all Canadians. There is no doubt about that and I say again that any Newfoundland spokesman who would suggest otherwise is a spokesman divorced from his people.

The Prime Minister of Canada assured the people of Newfoundland and Labrador during the election campaign that it is this party's position that Newfoundland will reap the maximum benefits from offshore development, and for that reason and others the people of my province responded by sending five Liberals out of a possible seven members to this House of Commons. A fair and just share of the offshore resource is what the people of my province expect, and I am confident that that is what this government will deliver.

That is an honest statement of our intentions. It is very much unlike the vague and misleading promises of the Conservative party, such as those delivered by the member for St. John's West and other Tory candidates who promised to deliver to the people of Newfoundland and Labrador complete ownership and control immediately after being re-elected. It would be as simple as that and we would have no problems at all. Of course, the people of Newfoundland and Labrador were not fooled. They wondered why, if things were so simple, the Tories did not deliver the goods before the last election. The reason is obvious; they could not deliver the goods. Once again they were talking through their hats. Is it any wonder that the hon. member for St. John's West—and I wish he were here—is one of the shortest lived finance ministers in the history of Canada? It is no wonder at all.

I want to quote from an exchange of letters between the former prime minister and the Premier of Newfoundland. I will do so because I want to point out that we had the former premier, the premier, the hon. member for St. John's West, the hon. member for St. John's East (Mr. McGrath) and all the Tory candidates telling us in February to vote for the Tory party in Newfoundland and we would get our offshore oil. It was to be as simple as that—a straightforward deal between the boys in Ottawa and the boys in Newfoundland.

● (1610)

I should like to quote from the letter dated September 14, 1979, when the then prime minister, now the Leader of the Opposition (Mr. Clark), wrote to Premier Peckford of Newfoundland as follows:

—these arrangements will certainly involve important regulatory, legislative and, indeed, constitutional changes before everything is in place.

They did not say anything about the constitution during the election campaign, Mr. Speaker. We did. We were honest enough to state it but the Tories did not. Further on in the letter we find that the little club that is going to straighten this matter up is getting bigger. The letter goes on to say:

—I am sending a copy of this letter to all the premiers because all are interested in the matter to some degree and will, in due time, have to deal with it in constitutional discussions.

That is what we were honest enough to say all along, Mr. Speaker, and I welcome the opportunity to put it on the record of this House. That is the farce that the Conservative party tried to perpetrate on the people of Newfoundland during the last election campaign. I think it is shameful, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Tobin: I should like to direct my remarks for a moment to the perennial third party in the House of Commons, the New Democratic Party. I see that only one member is present, which is not surprising. The elected members of that party participated in what was beyond a shadow of a doubt the greatest political hypocrisy of our time. Those are strong words, Mr. Speaker, but let me tell you why I use them. I am not surprised that the New Democratic Party is upset about the limitation imposed on this debate. Indeed, I would not be surprised if they could find a way to disagree with the Lord himself if he sat on this side of the House. This is the party that refused, again and again as a party, to take a position during the referendum campaign.

An hon. Member: That is not true.

Mr. Tobin: This is the party which, for purely political and partisan purposes, refused to stand up and be counted for Canada. Shame, Mr. Speaker—shame!

Some hon. Members: Hear, hear!

Mr. Tobin: I find it at the very worst dishonest, and at the very best cowardly, for any Canadian to seek election to represent Canadians in this Parliament and then, when the time comes, to refuse to stand up and be counted and to defend Canada.

Mr. Miller: A point of order, Mr. Speaker. I recognize that this is the hon. member's maiden speech but nevertheless he is totally misrepresenting the position of the New Democratic Party during the referendum in Quebec.

An hon. Member: Boo!

Mr. Miller: Our party leader attended at least two meetings in the province of Quebec outlining our position on the referendum.

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

Mr. Miller: I would question, Mr. Speaker, your permitting the hon. member to use that kind of false—

Some hon. Members: Order, order.

Mr. Miller: —comment, regardless whether it is his maiden speech or not.

Some hon. Members: Order, order.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) takes a certain risk when he uses words like "dishonesty". It tends to incur the distress of other members. On the other hand, I believe it has been ruled in this House that the use of that expression is not necessarily unparliamentary. It is, however, a risk he takes.

I might point out to the hon. member for Nanaimo-Alberni (Mr. Miller) that unfortunately the use of a point of order is not an opportunity to enter into debate with the hon. member who has the floor. We will continue with the remarks of the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Thank you very much, Mr. Speaker. The hon. member opposite suggested that I was misrepresenting the position of the NDP during the Quebec referendum. I would make it very clear to him, as it is clear to everybody else, that they did not have a position, so how could I misrepresent it?

Some hon. Members: Hear, hear!

Mr. Tobin: I am convinced that all Canadians, whether they voted Liberal, Conservative or even NDP in the last election, viewed the Quebec referendum result not only as a victory for Quebec but for all Canada. The NDP would be wise to recognize that even those who supported them in the last election can have nothing now but contempt for that party's non-stand during the referendum campaign. Let the non-stand taken by the New Democratic Party be an example to Canadians of the shallowness of ideas and integrity of that party.

While I am on the subject, Mr. Speaker, let me direct my comments for a moment to hon. members opposite in the Conservative party, particularly to the right hon. Leader of the Opposition. While there is a fundamental difference between his views and mine on economic matters, and while we would no doubt differ on how this country should evolve, I am sure my colleagues on this side join me in applauding the Leader of the Opposition for his courage in stating in a clear, concise and loud manner his and his party's support for the No side during the referendum campaign.

Some hon. Members: Hear, hear!

Mr. Tobin: I suggest the Leader of the New Democratic Party could well take a lesson from the Leader of the Opposition, and indeed should take daily lessons from the Leader of the Government, the right hon. Prime Minister.

Some hon. Members: Hear, hear!

Mr. Tobin: I support Bill C-30, Mr. Speaker. Some 12 years ago at the age of 13 I adopted the habit—old man that I am—of listening to and watching every newscast I could. I used to

read every newspaper I could lay my hands on. Very quickly, Mr. Speaker, I gained a tremendous respect and admiration for the prime minister of the day, 12 years ago, who happened to be the same Prime Minister as today. It is a privilege that I did not expect to come my way those 12 years ago to be standing here today as a colleague of the Prime Minister of Canada.

There is no question that the Prime Minister's political longevity is a direct tribute to his honesty and integrity over the years. I hope it is also a tribute to the kind of men and women he has attracted to run for this party under his leadership.

Some hon. Members: Hear, hear!

Mr. Tobin: I cannot, in all good conscience, Mr. Speaker, rationalize the negativity that constantly emanates from that side of the House of Commons—negativity toward Bill C-30 and negativity toward everything this government would undertake as part of its mandate from the people to serve the people. Perhaps there is an explanation for the negativity we have seen in something the hon. member for Lincoln (Mr. Mackasey) touched upon in this House a few days ago.

I remember that during the February 18 election campaign I spent one cold night in Corner Brook talking with my grandfather. During the course of our discussion about my chances of election and who was going to form the next government, etc., my grandfather gave me what I think is very sound advice. He told me that if I lost, then I should be proud in defeat. I should be proud of the effort I had made. He also told me that if the people were kind enough to bestow their confidence upon me and I won, then I should be humble in victory. I think that is sound advice, Mr. Speaker—to be humble in victory, and proud and dignified in defeat.

The people of Canada spoke on February 18 and while we on this side, I believe, have been humble in victory, hon. members opposite have been everything and anything but proud and dignified in defeat. Sadly, instead we have seen a kind of bitterness and a vindictiveness that I am sure has clouded their ordinarily good judgment and has poisoned what would ordinarily be their good will to participate in the House of Commons.

We on the government side recognize the necessity for a good, effective opposition in the House of Commons. We would welcome good, effective and constructive opposition. But if that is not forthcoming, then we have no time to play games. That is why I voted for time limitation on this debate on Bill C-30. That is why I support Bill C-30 so we can get on to other important matters.

● (1620)

I have one final piece of advice for members opposite before I sit down. It is simply this: I suggest that right now is the time for members opposite to swallow what has become in their own minds that very bitter pill called defeat.

Mr. Miller: Mr. Speaker, I would like to reserve the right, after reviewing what the last member said in terms of his use of the words "dishonesty" and "cowardly"—this is in reference to the representation that he made toward this party with regard to our position on Quebec—to review the blues for further consideration.

The Acting Speaker (Mr. Blaker): Order, please. The Chair will certainly respect the right of the hon. member and support the right of the hon. member to make that review.

I might add that one hon. member whose advice is often sought in that regard, the hon. member for Yukon (Mr. Neilsen), has mentioned to me privately the same concern. My recollection was, and I believe it to be the case, that an accusation made directly to a member, of a member or about a member that he or she is dishonest is unparliamentary language and out of order. But a reference made to a political party or a group where the word "dishonesty" is used has in fact been ruled acceptable debate.

The Chair does not want to enter into the fine points of that difference. I only raise it to assure the hon. member that the matter is of some concern. I did warn the previous member on the subject. I will on behalf of the Chair undertake to assure the hon. member that his point of privilege will not be lost, and if he chooses to bring it up tomorrow he will be heard.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is a duty that I have to fulfil on behalf of my constituents to rise and speak on this bill.

From my recollection of when I studied history in my school days, the reason we have Parliament is to be accountable to the people of Canada, the people who elected us on their behalf. We are accountable to them for the tax dollars that the government collects. It is the duty of every elected representative to see that those tax dollars are spent wisely. But when the government of the day comes before us with a bill asking for permission to borrow $12 billion, and at the same time, upon requesting information from it as to what use the government will put the $12 billion, we find it very difficult to get that information, then I find it rather strange that the previous speaker should talk about taking his responsibilities soberly. He apparently finds it very easy to rise and support a bill that really gives the government a blank cheque in terms of borrowing $12 billion. I think all of us as elected representatives of the people take our responsibilities very soberly. I know I take mine very soberly and that is why I feel compelled to speak on this bill.

The previous speaker said that he is operating on a shoestring budget because of the situation in which he was left by the previous government. I do not know where he comes from or what kind of situation they are in in Newfoundland, but in Manitoba $12 billion is anything but a shoe string budget. In fact, it would account for roughly six years of total expenditure by the province of Manitoba. The hon. member should be very careful when he talks about a shoe string budget and relate it to the amount of money that is involved. It is a tremendous amount of money, and to refer to it simply as a

shoestring budget is not exercising rationally or responsibly his admonition of himself that he is sober in his responsibilities to his constituents.

Mr. Nielsen: That is just the amount of the deficit.

Mr. Mayer: Not only is $12 billion a lot of money to borrow, but it is a lot of money in relation to the total spending of this government.

There was mention by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) of what the Americans are doing with their budget. In 1979 the Americans had a budget of something over $600 billion and a deficit of $29 billion. This works out to something like 5 per cent of their total expenditure as far as borrowings are concerned.

To relate that back to what we do here in Canada, in the current fiscal year the government will be spending roughly $54 billion. Of that, we are told we will be running a $14 billion budget, which leaves approximately $40 billion that we will be collecting from the taxpayers. If we relate that to the amount of interest which this government is going to be paying on previous government debt, it amounts to something like $10 billion. Therefore, for every $4 which this government collects from the taxpayers of Canada, $1, or 25 per cent, of that is going to be used simply to pay interest on past government debt.

This kind of an expenditure does not finance any new programs. It does not finance any health care programs nor does it increase pensions to those who are in need. It does not buy any new fighter aircraft. It does not do anything that people have come to expect from their government; it simply goes to pay interest on past mismanagement. I find it incredible that we could be so flippant about giving this government borrowing authority to borrow vast sums of money without expecting it to account for what it wants to use the money for and without examining the government's record on what it has done to the economy in the past ten or 12 years.

The previous speaker also talked about being humble in victory and proud in defeat. It seems to me that this government is anything but humble in victory. I have to think that it is arrogant in victory. If the government was anything that approximated humble, it would be very willing to be forthcoming with information as to how it intends to use the money which it is asking us to approve for its borrowing and the government would do this by presenting a budget.

I think the reference to this borrowing authority being a blank cheque fits. There have been many examples used in this House to try to relate billions of dollars into figures which the ordinary citizen can comprehend. In my opinion, "billions" does not mean much to people because it is such a large number that it virtually becomes meaningless. In terms of each citizen it amounts to $500 per man, woman and child throughout the whole country. For each family of four it means we are being asked to approve $2,000.

I like to think that I come from a very friendly part of the country. We refer to ourselves as being very hospitable. However, I am sure that our hospitality would be strained to the limit if one day a salesman or someone we did not know drove into the yard, knocked at the door, introduced himself and then said that he was sure we did not know him but that he wanted to borrow $2,000. In addition, he would not say what he would use the money for or how he would pay it back; he just wanted to borrow $2,000. If we were faced with that situation, I think our hospitality would be strained past the limit and that we would chase that kind of an individual out of the yard. Yet this is exactly what this government is asking us to do.

On thinking about what would happen in that situation, I think the poor chap would deserve some pity and help and we might feel some compassion for him—at least in my part of the country. In any event, that is what is going on when we are being asked to approve this kind of borrowing. In terms of the people I represent in Portage-Marquette, it would roughly equate to $40 million. I do not know how I could possibly face my constituents if I went home and said that I was perfectly content to sit on my hands and not feel obligated to rise in my place and voice some objections to committing them to paying $40 million. I take my responsibilities seriously and soberly. For me to do that simply means that I rise and voice my objection to being asked to approve borrowing without any idea of what the money is to be spent for.

I refer now to a remark made by the Parliamentary Secretary to the Minister of Finance (Mr. Evans) which appears in *Hansard* for June 2 at page 1670. In closing his speech he said:

● (1630)

I think the time has come for us to move forward on this bill and get on with the business of the House in looking at legislation that is extremely critical, and to stop the kind of delaying tactics that have been used and will be used tonight and tomorrow to stop the passage of a bill which is a fair and honest bill, a bill of borrowing authority the same as ministers of finance have brought down in every government in the past. I think we should get on with the bill, pass the bill and move to other pieces of business.

The parliamentary secretary should be ashamed of himself for making that kind of statement. I am glad to see that he is in the chamber. He stated on behalf of the taxpayers of Canada that we should get on with other business of the House that is critical. To suggest that borrowing $12 billion is not critical and important to the people of Canada is an irresponsible statement. The parliamentary secretary should take those things into account when making such statements.

Much has been said about the irresponsible spending record of this government. I wish to quote from the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1979. At page 12 of that report, Mr. Macdonell talks about how difficult it is for us to be accountable to our constituents and for the government to be accountable for its actions to the people of Canada unless they have information. This is where he says how critical it is to have information, and I quote:

"the key to accountability is . . . quite simply, information—the openness with which an individual or agency operates and the access to information by persons outside who are in a position to do something about it, if necessary, and the ways in which relevant information is selected, processed, and utilized."

From this definition it follows that accountability will be direct and effective where information is reliable and meaningful. For reasons I have set out in detail in five successive annual reports to the House of Commons, it is clear that neither of these latter adjectives applies to the financial information Parliament now receives.

Had this government been more open and forthcoming in terms of information as to what it intends to do with this $12 billion, we on this side would have been much happier to see the passage of this bill come about very quickly. If the parliamentary secretary was really interested in getting on with the business of the House—important business, he called it, by implication saying this bill is not important business—he would have tried to see that the information would be forthcoming. I am sure we would not then be showing as much concern with this bill as we are at present.

I wish to make one other point before concluding my remarks and making way for as many more speakers on this side of the House as possible. On Tuesday afternoon the Minister of State, Small Businesses (Mr. Lapointe) talked in this House about the metric conversion process. During that debate we were given information to the effect that the metric committee that is forcibly converting this country to metric has a budget of something like $27 million. In his remarks the minister made the point that the plastics industry and the petroleum industry were converting very successfully. He sadly neglected to say whether anyone was concerned about people.

My point is simply this. The minister would be exercising his responsibility to small business a lot better if he had seen that some of the $27 million that will be wasted by the commission to convert this country to metric was made available to the small business section of his department in order to assist small businesses. Conversion to metric will cause a lot of problems and additional expense to small business. Small business would be much better served by the minister had he shown some concern about the people involved in the conversion process and tried to ensure that some of the $27 million presently budgeted to the Metric Commission was made available to small business.

There are several other points I should make, but my main concern is that opposition members should have complete information on what the government plans to do with this $12 billion before we are forced into giving the government a blank cheque to borrow vast sums of money on behalf of our constituents.

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, I welcome this opportunity to rise this afternoon in this chamber on a matter of such controversy at this point, namely Bill C-30, and as I do I am almost in a nervous shock. Because when the man in the street arrived here as a new member of Parliament, he gets the feeling, especially under a government that gives so many services as this government has been giving Canadians for years, that such services clearly require funds, and that during difficult periods such as we are now going through, the government must borrow.

We had a notion, when the government announced that borrowing would be needed, that these loans would proceed as a matter of routine and everyone would be in agreement here, because if services are given to Canadians it is because members of Parliament passed legislation to help develop the Canadian population. My state of shock comes from the realization that some members here are trying to prevent the Government of Canada from borrowing to meet its commitments to the Canadian people or to defer the process. This is something that as a man in the street I have difficulty in realizing. But as every other member of Parliament, I am so much more aware of the fact that I represent some 80,000 constituents.

The debate has been going on for quite some time. I heard all sorts of things. Some hon. members suggested at some points that this government spent too much, expenditures had to be cut, but a few minutes later they were going on record to suggest that millions should be invested in their constituencies. The rationale of this I never could understand. Others have said that this government is asking for a blank cheque of $12 billion. It is unbelievable that some people can say such inept things to the people. If my memory serves me well a blank cheque is a cheque on which there is no figure and which is signed by the person who is the holder of the bank account. It is certainly not so. There is a very definite figure mentioned in Bill C-30, which represents the borrowing authority asked in it.

Furthermore, we know perfectly well for what purpose those expenditures will be made. Those who do not know just have to review all existing Canadian legislation and they will find there all the expenditures made by the Government of Canada within a year. They are all there and you know it full well.

Another matter that has been frequently raised is the fact that, apparently, the government has not introduced a budget before it requested that borrowing authority. Apparently, this has happened before and anyway I remember very well that the Minister of Finance mentioned on April 21 what would be the expenditures of our country for the coming month. But worse still is that the people who refuse today to give to the Government of Canada the borrowing powers that will enable it to administer our country are the same who after their election as a government on May 22, 1979, took seven months before presenting their budget.

I remember very well, I was in Lac Saint-Jean at the time and I had been listening to the evening news on TV. On two occasions, we saw the then prime minister (Mr. Clark) who, by the way, was not prime minister for too long, go to Banff with his cabinet. Jasper Park, Lake Louise, Banff are very beautiful. Had they visited Lac Saint-Jean at least once they might have seen the marvellous sunset or else they could have seen the most beautiful and the deepest fjord in the world, the one which goes farthest inland, the Saguenay. But this did not happen. Watching all this, we had the impression that that

government had just discovered a Canadian city called Banff, that the weather was nice and that they were wandering through the city. I think that that government sat more often in Banff than here. This can certainly delay a budget!

The result of all this was that when the famous budget of which everyone is aware was introduced by the then minister of finance, this budget was so far removed from what Canadians thought the budget of the government should be that it was the last nail in the coffin that the Progressive Conservatives had built for themselves. If at least this budget had been introduced in the first three or four months in office of that government, then we would not have had to wait until February 18 for that government to be replaced by one more able to govern this country. In addition, the budget that the members opposite have been demanding for so long would probably have been introduced before now.

However, after February 18, that important date when Canadians were finally able to say to Pierre Trudeau, "you are the one we find the best," the new government had to rebuild the whole machine and discuss the situation with public servants who were completely lost because they had just gone through a terrible time with many people who had just come into power in May telling them, "black goes right, white goes left," and so on, and because those who had tried in seven months to change major policies to give to the country a new direction which no one understood and did not know exactly where they were going. Everything had to be replaced, all these people had to be told to sit down and to work peacefully as in the past without starting a war with anyone, especially not with our neighbours, nor with those who are a bit farther from us, and they had to be asked to get themselves into the state of mind that they were in before, under the Trudeau administration.

I can assure you that it is quite a handicap to follow such a government and to introduce a budget in the following months. This is a major handicap that we must overcome, and the work is enormous. We have had to do everything over very quickly, and we had to do it so completely over because the former government nearly had time to destroy everything in such a short while.

● (1640)

Other than that there is one thing I want to point out. I can tell hon. members opposite even before a budget is introduced in the House that the next budget will help the middle class, the working class and the underprivileged class in Canada which was not the case of theirs. You know what happens when you do that, you have to borrow several billions of dollars because times are difficult. The man in the street understands that problem very well. It is beyond me that you should have missed that.

How I remember the millions of dollars that were supposed to go into the coffers of the companies, the multinational oil companies, with that famous budget. You would have wanted us to draft the same budget again and have it endorsed by the people of Canada. That would have been quite simply shameful. The only thing you have to do now to try and right the wrong and the damage you did to this country by delaying the process of legislation for a period of seven months during which the House did not sit is to stop filibustering the borrowing authority this government is asking for in its own right. It has that borrowing authority as the elected government of the people of Canada, and all you are doing now is delaying it. That delay, as you know full well, is unjustifiable.

For my part, as I said in this place yesterday, I come from an area where the presence of the Government of Canada is essential and is being felt at various levels because of the economic problems we are now facing. We know full well that the Government of Canada spends more money in my area than it gets out of it in revenues. We are aware of that. We also know one thing, and it is that this situation will not last forever, it is only temporary. When will we get out of it? I am not a soothsayer, I cannot tell you, but we will get out of it. All the premises are there, and all the work that has been done in recent years tends to lead to that result. But in the meantime we cannot conceive that you would want to have a single generation pay for all the problems we are now experiencing. That is why the Government of Canada is borrowing. This is capitalization. When it is paid off, it will bring dividends. We are spending today to meet the needs of the underprivileged. One day the government will have enough revenue to look after those needs, as it has already been the case. It is a regular cycle.

Therefore, the people in my area know quite well and are proud of the fact that the authorities of this country have taken the necessary decisions which have brought investments worth millions of dollars in this fine country called Canada and have made sure that not only one generation or only one part of the population is experiencing difficulties. You know that during the last election campaign the Prime Minister of Canada (Mr. Trudeau) said a few words that we have not forgotten. He said: "The Liberal Party of Canada does not make promises but stands for principles." Those are the principles which I am now stating, principles of justice and equity for the distribution of wealth. A while ago I heard my colleague from Humber-Port au Port-St. Barbe (Mr. Tobin) who referred to the position taken by various provinces in the constitutional negotiations. Once again, the same spirit should be revised.

What I find most unfortunate—and I do not know whether it is a false impression—is that my colleagues opposite seem to have forgotten those principles. They seem to have forgotten them, because they are trying to prevent the Canadian government from borrowing or they are delaying the borrowing process of the Canadian government. They want to prevent the government from borrowing. This government was democrati-

cally elected on February 18, 1980, when the former prime minister decided to call the election when his senseless budget was rejected. This is what they are trying to do. I wish to tell them that we are pleased to see that the members opposite are doing their job, that they are watching us and saying from time to time: You should perhaps do that instead of something else.

That is part of your job, but it is also part of your job to represent your constituents, if you know what that means. It means that when existing legislation obliges the government to borrow to meet its requirements, you also have the duty to approve it, and as quickly as possible. Sometimes, Mr. Speaker, I have the impression that hon. members of the opposition live in the past. We still hear them talk about oil taxes, budget cuts, all things which Canadians said at one point they did not want, ever.

We also hear that the government should not be given a blank cheque, but the government is not asking for a blank cheque. It is telling us that the House must give it authority to fulfil its obligations towards the people and in that sense, gentlemen, when you let the debate go on and on, you act as if you were still in power, and you are not. It was a democratic decision that made things the way they are, nothing else, following your actions and those of people who formed your government.

As a new member, I think that is horrifying, Mr. Speaker, I cannot understand. I have trouble grasping all that and putting it into my head at a point in time a responsible member of Parliament comes here to represent his constituents. Follow your reasoning to its logical conclusion, gentlemen.

Assuming a motion for closure is not brought in at some time, and that you keep the debate going, say, until the month of January, 1981, where would the government get the money? Can you tell me that? What about the people of your ridings who are on welfare, get medical care or money for the capital projects under way in Alberta, whether through Petro-Canada or any other way? I am asking you to realize that the government is now asking you to do your job. Let the bill go through as soon as possible so that we can perform our duty to Canadians.

● (1650)

[*English*]

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I rise to speak on Bill C-30, which has become a very, very important question in the minds of the Canadian public. The hon. member from the other side of the House just said that the people of Canada are not signing a blank cheque. That is true. They are signing a cheque with $12 billion on it. The government is saying to the people of Canada, "We are not telling you how we are going to spend the money, but we are asking you to pay the bill".

I suggest that the Minister of Finance (Mr. MacEachen), the Prime Minister (Mr. Trudeau) of this country and the government of the day will be held responsible by our children and our grandchildren for the actions that the government is taking in this House today. We have had 12 years and more of Liberal government under the leadership of the Prime Minister, which has led us in a direction that is socializing this country and turning it into a socialist state, with the help of the NDP members on the extreme left who defeated a good budget and who defeated some direction for this country. That direction would have turned around this excess spending.

What type of direction is this government asking for? What kind of spending has it been doing? There has been excess spending in the form of a Metric Commission. There has been excess spending on many white elephants across the country. We just heard of one in the past few days. Two billion dollars was spent on a complex. It is rather hard for someone from the province of Saskatchewan to think in terms of those figures because that is about the budget of our whole province. We have some concern for our constituencies and for our people because we are asked to share in the responsibility for paying for this type of mismanagement brought upon the people of Canada by the government of the day. Truly it is a blank cheque and more. We have had no direction from the Minister of Finance with regard to what type of budget there will be. We have had no direction in terms of how the spending will be done. All we know is that we must pay the bill.

I think at this time the Canadian people are asking more of government and more of this House of Commons. They are asking for some accountability on the part of the Prime Minister, the Minister of Finance and every member who sits in this House of Commons with regard to the spending done here, in this case $12 billion.

There has been big government during the Trudeau years and during the Liberal years. Big government spending has gone completely out of control. There has been no consideration given to production. We have lived through an era in which the word "profit" was a bad word and the word "incentive" was completely forgotten. We have given no direction and no incentive to the people who have been paying the bill.

Some hon. Members: Hear, hear!

Mr. Gustafson: In my constituency of Assiniboia we have very productive people. I imagine every member in this House thinks that his people are productive, but when we analyse how much money is being spent and where it is being spent, it gives me some concern as a member from western Canada.

I would like to relate a couple of examples just in the short term I have been the representative of the constituency of Assiniboia. Under the summer youth employment program it is very interesting to note that the constituency of Assiniboia was allotted by the Minister of Employment and Immigration (Mr. Axworthy) $85,000. I received letters from people from across my constituency whose projects were turned down. The average constituency in Quebec received $200,000. My people

are asking, "Where is the money being spent?" We asked for help with productive projects. Before I came to this House my predecessor who represented Assiniboia had been working toward the extension of the runway at the airport at Estevan. I worked toward that extension and made submissions to the Minister of Transport (Mr. Pepin). We have been turned down again and again on that project. There are aeroplanes coming in to service the oil wells and coal production in that area. The request of that particular community was turned down. We asked for $200,000.

I have figures in front of me regarding the money spent on Mirabel airport. The original approved cost was to be $212,247,000. The final cost turned out to be $371,276,000. There was a cost overrun of $159 million, or 74 per cent. This is the way this government has been spending money.

The people of my constituency and the people of western Canada are very, very concerned about the excess spending that has been going on here in Ottawa by big government. That leads me to another question. It is all right to accuse someone of excess spending, but we must also come up with some answers. How can we solve the problem? One of the major problems Canada faces today is that we have priced ourselves out of the world market under the socialistic direction the Prime Minister of Canada has taken.

● (1700)

One of the members across the way laughs. I should like to read the words the right hon. Prime Minister wrote in 1961 which appeared in a book entitled "Practice and Theory of Federalism":

If the whole of the Canadian electorate could miraculously be converted to socialist ideals at one fell swoop, there would be no reason to discuss strategy in the present context. Socialism would be achieved with or without federalism, and socialist administrations would be installed at every level of government affairs, no matter the form of the constitution.

The Prime Minister of Canada—

The Acting Speaker (Mr. Blaker): Order, please. I was simply indicating to the hon. member that it is now five o'clock and I wanted to give him the opportunity to complete his sentence. Otherwise I will recognize him at eight o'clock when the House resumes debate on Bill C-30.

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

[*English*]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

The Acting Speaker (Mr. Blaker): Shall item No. 1 on the order paper, in the name of the hon. member for Leeds-Grenville (Mr. Cossitt), stand by unanimous consent?

Candu Reactor Sales

Mr. Herbert: Mr. Speaker, I rise on a point of order. This item was placed on the order paper as a notice of motion for the production of papers on April 14. It was transferred for debate on June 4. If the member is serious, he should be prepared for debate. So I give the first notice of my intention to raise the matter at the next time of calling.

The Acting Speaker (Mr. Blaker): Is the Chair to understand from the comments of the hon. member that he is not going to deny unanimous consent at this point to the suggestion that the item stand? Is that correct?

Mr. Herbert: I am putting my objection at this time, which means it will require unanimous consent at the next time of calling.

The Acting Speaker (Mr. Blaker): That is understood. The next item is item No. 19, in the name of the hon. member for Richmond-South Delta (Mr. Siddon). Shall the item stand by unanimous consent?

Some hon. Members: Agreed.

SALES OF CANDU REACTORS

Mr. Hal Herbert (Vaudreuil) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings and other communications between the government and senior officials of Atomic Energy of Canada Limited during the months of June, July, August and September, 1979, that pertain to the negotiation of the sales of Candu reactors either by AECL or by any private company acting with the authority or knowledge of AECL.

He said: Mr. Speaker, I do not intend to speak for very long. This motion was transferred yesterday. It is a repeat of an identical motion which I placed on the order paper in the last Parliament on November 8, 1979. The motion arose from a complaint of a constituent who represents and works for a company which is interested in international trade, which is working in the export business, particularly in the field of nuclear reactors, nuclear equipment and allied equipment.

The complaint of the constituent was that in this period to which the motion refers there was, in his opinion, direct interference by the government of the day in Atomic Energy of Canada Limited, the result of which was to ensure that there would be no communication between private companies interested in furthering sales and the representatives of the government who were interested in making purchases.

When I look at the make-up of Atomic Energy of Canada Limited, I find that its objectives are, among others:

To participate in the development of a viable Canadian nuclear industry through the development and marketing of nuclear power systems, components, materials, equipment, technology, medical and industrial isotopes, irradiators and related products.

They are also:

To ensure an adequate supply of heavy water to meet domestic and export needs of the Candu system.

The last available report of AECL was transmitted to the then minister of energy, mines and resources on June 28 of last year, so presumably we will soon be getting the more current report. In his opening remarks, the president of AECL makes reference to Canada's clear intentions to make the affairs of AECL more commercially oriented.

If one looks through the last report of AECL one sees some most interesting photographs of reactors in Argentina, of people from China looking at the Ontario Hydro facility at Pickering, of an exhibition which was organized in Switzerland where Canada is attempting to sell its technology, of visiting personages from Romania, and of the construction of a Candu nuclear generating station in Korea for the Korean Electric Company. I mention these just to illustrate that obviously we have been intent on making export sales and have been at least communicating with persons in the countries mentioned.

It appeared from the information available to us in the second half of last year that a deliberate attempt was being made to hinder any negotiations. It appeared to me that an important minister of the Crown at that time was interfering with the operations of a Crown corporation which should have been independent of government interference, to ensure that by refusing to communicate they were effectively stopping negotiations for a sale.

Let me be very clear, Mr. Speaker. In this motion I am not arguing for or against the merits of selling Candu reactors abroad. Whether we should or should not do so is for the government to decide, but I am tired at this stage of double standards. I honestly believe that we should make up our mind whether or not we are going to be in this market. I honestly believe that we have one of the best reactors that is available. I honestly believe that if we do not sell our reactors, France, West Germany or another country will sell theirs.

Although I am not making the argument in this motion for the sale of our reactors, I do believe we should have a very clear statement of what our policy will be, and we should not find ourselves in a position where a minister of the Crown appears at least to have interfered with the operations of an independent corporation to ensure that negotiations do not proceed.

Just this week, and by coincidence, representatives from Argentina were in this capital city of Ottawa. I did not meet them but they made plain to other hon. members their disenchantment with the actions of our government in making it impossible for the government of Argentina to communicate with us and do business. What I am suggesting, of course, is that we should make up our minds precisely what we want or do not want. I do not like the suggestion that a minister of the Crown can make a personal decision about the countries with which we should be doing business.

● (1710)

To make a point, I have made reference in the report to representatives from China, which would make it at least appear as if we are prepared to do business with China. That is fine by me personally, but I also ask why we have put every single impediment in the way of doing business with Taiwan. I know we have heard two motions in the House in the last two or three days concerning the conduct of people in Taiwan, but will anyone suggest that what is happening there is any better or worse than what is happening in other countries with which we are doing business? My point is that I am very upset that we can have this double standard where we or individuals decide with what countries we shall or shall not be doing business and the basis on which that business shall be done. If we want to be holier than thou and we do not want to do business with governments of countries that do not act in the way we believe they should act, then I will accept that as policy, but it must be across the board, for all countries. I think it is unjust and unfair that we have this double standard.

It seems to me that the action last year, in appearing to stop a sale to Argentina by closing off negotiations or making it impossible for the parties to get together, is not the way in which we should be proceeding. I understand the sensitivities of the Department of External Affairs and its foreign relationships with other countries, but I think if there is one thing we in Canada can do, it is to establish a clear basis upon which we do business.

I have heard comments in the last few days about South Africa, for example. Certainly I am not here pleading any case for South Africa, but will anyone suggest that what is happening there is worse than what is happening in other countries? We do not like to talk about it because there is too much at stake either in business or in the relations between our country and that particular country.

My motion was put on the order paper not in the expectation of receiving any documents. When I put it on in the last Parliament, it was directed against the last government. I did not expect to receive the documents. Frankly I did not expect to receive them from this government either, and I understand the reasons why.

An hon. Member: Why?

Mr. Herbert: Simply because probably among those documents there are documents which are of a confidential and private nature. I am prepared to accept that explanation. However, I must direct my motion at all the documents. I have no way of putting my finger on any one direct communication. That is why I make my motion in this form.

My objection is to an apparent action of a minister of the Crown in communicating with an independent Crown corporation to ensure there will be a closing off of communications between private Canadian companies and AECL, so as to ensure that discussions dealing with the sale of equipment related to nuclear devices—and not necessarily Candu reactors themselves—should not proceed and the basis for the intervention apparently to stop the sale, in this case to Argentina. I will make it plain again. I am not pleading for the sale of Candu reactors to Argentina or to any other country, but I am pleading with the government to establish a policy which is the same for all countries and not to set up a double standard that

sounds politically good, whether it be the last government or the present government.

Because I am referring to June, July and August of last year, obviously I am not pointing the finger at the present government. But I feel we must clarify this particular point. We must tell AECL that its job is to try to increase the export market to give us more jobs in Canada. It is an area in which we have the expertise. It is an area which provides the type of high technology employment that is beneficial to Canada. I do not believe impediments of any kind should be put in the way of this company in its negotiations with any country, unless we set up in advance the standards by which that other country is supposed to operate. Then I suggest that probably we will be cutting off two-thirds of the world's countries.

I hope I have made my point. I do not intend to pursue this motion through to its logical conclusion, but I plead with the present government not to fall into the same pattern as the past government and, by indirect action, interfere with the free operation of a Crown corporation which, in the fashion it is set up, is supposed to be independent of government interference.

Some hon. Members: Hear, hear!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have listened with attention to the statement of the hon. member. I have noted that a number of the issues which he raised will be under consideration in the nuclear review which the government has undertaken. I can assure the hon. member that the points he made will be fully taken into account in our consideration of the ways in which the nuclear industry in Canada can best be further promoted and developed in the future.

In entering this discussion this afternoon, I thought it might be useful if I were to say a word first about the ways in which the nuclear industry in Canada has developed, before turning to the future possibilities that are open to AECL and the private sector in this important area of our high technology industry.

As members of the House will recall, Atomic Energy of Canada Limited and the current nuclear industry originated in the military programs launched during the Second World War. Research and development activities on the peaceful use of nuclear energy have been funded by parliamentary appropriations since the very start of atomic research in Canada.

In 1952 AECL was formed when the assets of the Chalk River wartime research project, along with those of the commercial products division of Eldorado Mining Ltd., were transferred to the newly formed Crown corporation. From a starting complement of about 1,300 employees in 1952, AECL has grown to close to 8,000 employees. Today the corporation has major facilities at Chalk River in Ontario, the Whiteshell nuclear laboratories in Manitoba, the power project engineering, design and development facilities near Toronto, and a successful radioactive isotopes commercial products operation in Ottawa.

• (1720)

Also, AECL has heavy water production plants at Glace Bay and Port Hawkesbury in Nova Scotia and a partially constructed heavy water plant in La Prade, Quebec, as well as its corporate headquarters here in Ottawa. The Canadian nuclear industry today directly employs about 30,000 people. It is estimated that a further 50,000 jobs are generated indirectly.

The majority of jobs directly related to the Canadian nuclear industry are of a highly skilled nature. For example, in the nuclear manufacturing sector, the level of professional and technical employment is approximately four times the Canadian manufacturing average and double the electrical product industry average. AECL has developed as the linch pin of this industry providing, on the one hand, the coherent, specialized, technical basis of the industry and, on the other hand, the marketing and export of nuclear power systems in various forms.

Alternative industrial structures have been considered from time to time and remain a major subject of review. The value of Canadian goods and services in a single exported 600-megawatt station can range up to $300 million. Additional opportunities for Canadian industry often exist in the provision of support facilities and infrastructure.

The tangible results of AECL's efforts are perhaps most readily seen in the province of Ontario. Having foreseen the early exhaustion of its hydraulic resources for electricity generation, and having limited indigenous fossil resources and a sufficiently large grid, Ontario made an early commitment to a nuclear program. In 1978 Ontario received 30 per cent of its electric energy from nuclear sources. Installed capacity is now about 5500 megawatts and a further 8500 megawatts are under construction. Quebec has an installed nuclear capacity of 250 megawatts with a further 600 megawatts under construction. New Brunswick, as hon. members of that province will be aware, also has a 600-megawatt unit under construction at Lepreau.

The technical success of the Candu reactor is evidenced by a comparison of the measured gross capacity factors of the western world's nuclear power stations. In 1978 Ontario Hydro's units occupied five of the top 12 positions. On a lifetime comparison basis, these same units occupy five of the top seven positions. The unit energy cost of electricity produced at the Pickering nuclear station is about half that from the comparably sized and contemporary coal-fired Lambton station and has the additional benefit of major savings in foreign exchange.

The Candu reactor has proven to be a dependable, safe and economic source of electrical energy. Its continued role has received recent support from the Bayda royal commission in Saskatchewan, the report of the Porter Royal Commission on Electric Power Planning in Ontario, and the select committee on energy of the Ontario legislature.

The United States nuclear physicist and Nobel prize winner, Hans Bethe, has called the Candu reactor a technical wonder

and praised its fantastic reliability. The Sussex University research unit in Britain, after a worldwide analysis of nuclear plant performance, has rated the Candu heavy water system the best in the world and recommended its adoption in Britain. And in the wake of Three Mile Island in the United States, the Tennessee Institute for Energy Analysis suggested that the U.S. use the current lull in the construction of new nuclear plants there to examine alternative models, including Canada's Candu reactor.

As a development-hungry Third World looks toward nuclear technology to replace oil-related energy and as Europe is planning for massive nuclear development, Canada finds itself with an unique opportunity to prove its nuclear technological leadership.

I believe it is clear from what I have said that the nuclear industry in Canada and particularly the development of AECL has not been something that happened overnight or without the consultation of Parliament. For almost 40 years the Canadian government and the nuclear industry have been working to develop and build a viable product that is not only safe but dependable and efficient. It is helping to meet Canada's current energy demands and, according to projections, it will provide a greater proportion of our energy demands in the future. Parliament has been involved with the development of the industry since its inception and will continue to help to ensure that the nuclear option provides safe and dependable energy for all Canadians.

But what of the future of the Candu reactor? Although the Candu reactor has achieved practical maturity and proven its commercial viability, the development potential of the system is nowhere near exhaustion. The current Candu designs are capable of evolutionary development to minimize energy costs and conserve resources. It is most important to recognize that the Candu system can and will adjust to future requirements by a process of evolution, based on a proven, highly successful design.

Most other advanced nations expect that future nuclear energy requirements will be met by a change from current thermal reactor systems to fast breeder reactors. However, the fast breeder type of reactor is far from being commercially feasible at this stage and will require massive outlays in capital before it is fully developed. The evolutionary route of the Candu system is obviously less costly and more predictable than employing our scarce resources to develop the fast breeder reactor.

Three major areas for the evolutionary development of the Candu system that are currently under way are reactor size, in terms of unit output; the fuel cycle, and heat-transfer fluid or coolant, used to extract the heat energy from the reactor core.

On the first point, it has been found that it is possible conceptually to design units of 2000 megawatts without technical limitations. For the Bruce Generating Station, each of the four units is rated at a nominal 750 megawatts, with the additional thermal energy being supplied as industrial process heat to a heavy water plant. This demonstrates the other possibilities open for power reactors other than generating electricity.

Part of the power reactors output may be extracted directly as heat for space heating for industrial and residential uses. One possibility that has been suggested is the full output of a reactor being applied to the extraction of oil from tar sands. The large quantities of heat and electricity that are required for this process could be matched to the capacity of the reactor. Heat from the reactor can be used in greenhouses and providing warm water for fish farming, as the hon. member for Bruce-Grey (Mr. Gurbin) has pointed out in this House.

The second area of development of the Candu system is in the fuel cycle. All present Candu reactors operate on the once-through natural uranium cycle, with retrievable storage of the spent fuel. Although this cycle is very efficient in its utilization of our uranium resources compared to other commercially available reactor systems, it does consume fissile uranium, the supply of which is limited.

The Candu reactor is, however, capable, with minor alterations, of being adapted to exploit the considerable reserve of energy in spent fuel by recycling plutonium, and may be further adapted to the transformation of thorium into a fuel material, thus giving access to vast new reserves of energy. This inherent advantage of the Candu system is unparalleled in the world today. It will prolong the life of our present nuclear facilities and ensure that we shall remain competitive internationally in the future.

The third area of possible development is the choice of heat-transfer fluid or the coolant, as it is known. The coolant presently used in the Candu design is heavy water. Heavy water is an efficient but expensive heat-transfer fluid.

Two other coolants are being examined for possible savings in energy costs, boiling light water and organic-cooled reactor type. Both of these approaches have been examined in conjunction with the advanced fuel cycles. By combining alternative coolants with advanced fuel cycles it seems certain that additional reduction in capital costs will be possible. Estimates of over-all cost reductions of 15 per cent to 20 per cent may be realized, principally in the capital cost component when the advanced fuel cycles are available.

The Candu reactor is not simply for our present use. It is flexible enough to be adapted for the advanced fuel cycles of the future. As I have indicated, AECL and the nuclear industry are studying ways by which we can continue to use the Candu reactor well into the next century. The future of the Candu reactor is bright; with its flexibility and proven capability it is indeed a "technical wonder."

• (1730)

The nuclear power programs of many industrialized nations, including Canada, have been challenged by perceptions which focus essentially on three principal issues: reactor safety, the safe management of high level nuclear wastes and nuclear weapons proliferation. These are, of course, important issues which will continue to require consistent attention. While these issues are the subject of concerted national and international

action, they are not likely to be totally resolved to the satisfaction of all, in the immediate term.

For example, the safe management and disposal of radioactive wastes is a problem facing the industry as a whole. From its inception in the early 1950s, AECL has been studying means of safely immobilizing such materials and, more recently, has formally joined with the province of Ontario in a major effort to establish the parameters associated with their permanent disposal. With the proper support, AECL is confident that this matter can be addressed in an economic and timely manner, consistent with the meeting of concerns on health and safety. The present phase of the program consists of a research effort for the safe disposal of nuclear waste. Site selection will come much later.

The Candu reactor system has a power safety record second to none in the world and a comprehensive high level waste management program is well under way. Significant progress has been made through the aegis of international organizations and agencies toward the articulation of a global safeguards regime which will, on the one hand, diminish the probability of weapons proliferation and, on the other, provide developing nations with the benefits or nuclear technology upon which to base some of their economic development aspirations.

Finally, Mr. Speaker, the nuclear energy option is of compelling national and international importance. The issues are not trivial and are often politically sensitive. The goal is nothing short of a solid contribution to a stable and secure long term energy supply to underpin our economic and social development in the years ahead. To this end Canada, through government funding, has firmly established international scale and world recognized research and development facilities, the principal mission of which is to sustain and safeguard our fission energy option both now and in the future.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I noted the remarks made by the hon. parliamentary secretary. I am always pleased to hear him read his speeches because of the exciting way he does so. The beginning of his speech was so exciting that even the hon. member for Winnipeg North Centre (Mr. Knowles) was compelled to leave the House on business—momentarily. His speeches are so exciting that they make the answers given by the Minister of Industry, Trade and Commerce (Mr. Gray) during the question period sound positively vaudevillian, exciting and stimulating. The hon. member for Winnipeg-Birds Hill (Mr. Blaikie) has other discriptions for the hon. member's delivery but I shall not repeat them.

I shall, however, say something about the substance of the parliamentary secretary's speech. It was simply an incredible speech and showed a completely uncritical attitude toward the nuclear industry.

An hon. Member: It was critical but it was not negative.

Mr. Waddell: I heard nothing critical in the whole speech; no questioning, nothing.

This is the government that in reply to a question in this House today stated there was an inquiry under way with reference to the nuclear industry. Mr. Speaker, the nuclear question is probably one of the most crucial questions of the day. I am astounded at the parliamentary secretary's uncritical attitude toward the nuclear industry. It shows that the internal inquiry is not real. This government and the department should come clean with the Canadian people and say so.

Mr. Baker (Nepean-Carleton): Have a public inquiry.

Mr. Waddell: The hon. member for Nepean-Carleton (Mr. Baker) says it should be a public inquiry. That is what his government suggested and I shall return to that in a moment.

I have not finished with the parliamentary secretary yet but I want to deal with the remarks of the hon. member for Vaudreuil (Mr. Herbert). He said he was not pleading for the sale of Candu reactors and was not pleading for information. What was he pleading for, then? I thought he had a tiger of a resolution here and was bringing up an important matter on the freedom of information and the important matter of the nuclear industry, but he fizzled out. He started off like a tiger and became a pussycat. I do not say that personally, but in effect that was the result of his speech.

He said he did not receive documents, but that it does not matter; that he was not asking for documents—in spite of putting the resolution forward—because they are probably of a private and confidential nature.

A new book has been published entitled "Deference to Authority: the Case of Canada" by an author called Friedenberg. I am sorry I do not have the name of the publisher or the full title available. The book points out that we Canadians have such deference for authority we are afraid to question things and ask that they be brought out in the open; that we are almost a totalitarian society and that we will not look into things as the Americans will. This pertains to freedom of information, to the McDonald Inquiry, to the way RCMP is run and the way the Liberals run the Government of Canada. I shall come back to this, Mr. Speaker.

The hon. member did say he was pleading for a policy, a standard but he apparently objected to a standard being set. I do not think it is any secret but he mentioned that representatives from Argentina were in this country about a month ago. They visited Ottawa in secret. The Argentinian equivalent of the head of AECL came to see the government to get us to reduce our standards. So we do have a policy and we do have standards, Mr. Speaker, and I will congratulate the government on that. There are standards for the sale of Candu reactors overseas and the hon. member should know that and the difficulty of keeping to those standards.

I believe we sold a reactor to India. They did not live up to the standards and built an atomic bomb, to their eternal disgrace. I can understand why they did it; because of the pressures on them and the difficulties of their foreign policy,

but, nevertheless, I think the decision was wrong and it was a very important one.

There are policies and standards, Mr. Speaker. I believe the Secretary of State for External Affairs (Mr. MacGuigan) has stated that these standards will not be lowered, and in that he is right. The hon. member who just spoke said he does not want any policy at all. The policy he wants is laissez-faire—sell the reactor to anybody. If that is the case, I do not know why he brought the resolution.

I want to return now to the question of the Candu reactor itself, Mr. Speaker. It is a good reactor, if you like nuclear reactors. There are two problems with them and the first is a serious one. The fact is that we cannot dispose of nuclear waste. The parliamentary secretary said that with the proper support, Atomic Energy of Canada Limited is confident it can solve the disposal problem. It has the proper support, Mr. Speaker, from the Government of Canada, but the government is not going to help them solve the disposal problem because it does not have the answers.

● (1740)

That is the fundamental question of our generation. It is a moral question, Mr. Speaker. Can we in this generation pass on to future generations an unsolved nuclear waste problem that may in fact destroy future generations and destroy the world? That is a fundamental moral question. For my part, I say no, we cannot, and some of my colleagues say no also.

Another problem that arises in the selling of the Candu reactors is whether those countries who buy them will live up to the safeguards. For example, India did not, and that is another problem.

To return to this matter of an inquiry, on May 1 of this year, as reported in *Hansard* at page 605, the hon. member for Saskatoon West (Mr. Hnatyshyn) asked about an inquiry, and referring to the Progressive Conservative government, he said this:

> Our government initiated a national inquiry into domestic and international nuclear policy in Canada. Is it the intention of the Prime Minister to reconvene that national inquiry so that Canadians may have an input and there can be an assessment with respect to the direction of our national nuclear policy?

The parliamentary secretary then stood up and gave one of his solid answers, as follows:

> Madam Speaker, there is no intention at the moment to begin a public inquiry of the type the hon. member has raised but, rather, to pursue an internal review as the Minister of Energy, Mines and Resources announced a few days ago.

At this point the hon. member for Saskatoon West asked a supplementary question, which reads as follows:

> Will he be able to table as soon as possible the terms of reference with respect to an internal inquiry, and will the minister be in a position to let us know precisely the nature of that inquiry? Will the inquiry be open, and will the people of Canada have an opportunity to participate, whatever form it may take?

At this point, the Prime Minister (Mr. Trudeau) replied, and gave this answer:

> Madam Speaker, I was involved in the discussions of this matter with the parliamentary secretary and the minister.

So it went right to the top level, to the Prime Minister. The Prime Minister continued:

> On behalf of the government, I would like to explain why we are not at this time organizing a public inquiry: it is because the time schedule for keeping our industry viable is very, very short.
>
> We are now in danger of seeing the Canadian industry obsolete and lose its chance to sell in other countries of the world unless we make some quick decisions on some basic questions. It is in order to get these quick decisions that we in the government want to establish our own policy in a firm way.
>
> There is no intention of preventing the Canadian public, concurrently or subsequently, from participating in various ways and expressing their views, but we cannot wait for a long inquiry to decide whether we stay in the game or get out of the game. That is the essence of the situation.

That is sort of like Alice in Wonderland, at the point where Alice was in Wonderland and the queen said, "Off with her head", to which Alice replied that she wanted a trial. But the queen said, "Off with her head first and then the trial". The quick decision is going to be over with, and it will have been taken.

I think the Prime Minister is making a big mistake in this area. Perhaps the Prime Minister wants to go down in Canadian history as one who has repatriated the constitution, in other words as the great constitutionalist. I predict that perhaps in 50 to 100 years from now historians are going to look back and say that is the man who ignored one of the most crucial issues of his time, the nuclear issue; by making an internal inquiry when the decision had already been made.

The big point today in this debate, and I thank the hon. member for Vaudreuil (Mr. Herbert) for raising the matter and smoking out the parliamentary secretary is that we got the terms of reference for the inquiry, and that was it. The inquiry is over, it is finished; we have had the trial, the head is off, and that is unacceptable.

Atomic Energy of Canada seems to feel that it is above participation, that it is above inquiry. If anyone wants to ask a question of Atomic Energy of Canada, any interested groups of citizens, we hear the reply that Atomic Energy of Canada will not participate, nor will it give us information. I wrote to Atomic Energy of Canada and asked how much it spent on public relations—a simple question. I suspect in the United States I would get an answer, or I could go to the Freedom of Information Act. But what did I get back? I received a snarky letter from a Hilary Pearson, parliamentary affairs officer. The letter reads:

> In response to your request of May 1, 1980, for information concerning AECL public relations, please find attached the relevant figures for vote funded public affairs.
>
> It would be appreciated if in future you would check the public accounts for the fiscal year in question prior to making a request for publicly available information.

That is typical of the attitude of the Atomic Energy of Canada. It thinks it is above everything; that it cannot be asked questions.

An hon. Member: They are just above you.

Mr. Waddell: Above me; I am a member of Parliament, like you. I would think that if you asked Atomic Energy of Canada, you would expect a reply. If it is above me, as the

hon. member said, it is certainly above all the other Canadians in the country who are seeking information.

I said this was tied in with freedom of information. Yesterday in the House this government was asked about freedom of information. It is going to bring in a bill as was indicated in the Speech from the Throne. It was also in the Speech from the Throne in 1978, and it has not been brought in yet. Sure the government will bring it in, but it will bring in an emasculated bill. The government will not put it to a court review when there is a dispute between a citizen and the government. The government is not going to make it apply to groups, such as Atomic Energy of Canada. I tell hon. members to mark my words. It is not in the interests of the authoritarian nature of the way we have been conducting public business in this country for Atomic Energy of Canada to have such a bill. It is not in the interests of the bureaucrats in the federal government to have that, and it is not in the interests of the Liberal Party of Canada. That is how they use their power and that is how they continue government in this country; not through authoritarian, but through a secretive type of government. It is not in their interest to open up government and let the fresh air in. I tell hon. members to mark my words and watch for that bill.

I just wish to compare Canada to the U.S. The Americans have a good freedom of information bill. They are looking at the nuclear industry critically, and they are not afraid to do so. I have a magazine called the *National Journal,* in which is an article by a Mr. William J. Lanouette. He talks about the dangers that persist one year later at the Three-Mile Island nuclear plant. It is a fair article. He speaks of the Nuclear Regulatory Commission which is the American commission, and says this in his article:

> Both the utility and the NRC are well aware that their public credibility has suffered from their handling of the Three-Mile Island accident and its aftermath. And both have pledged to involve the public in decisions that affect it.

I repeat that last sentence: "And both have pledged to involve the public in decisions that affect it." I say compare that to this government. The member on the government side is even afraid to ask for information or to press for information from Atomic Energy. Compare that to this attitude in the United States that both the agency and the company, and the government by implication, have pledged to involve the public in decisions that affect it.

We just heard the parliamentary secretary give a most remarkable speech in which it was clear that he is not prepared to involve the public in one of the most vital concerns of our generation.

Mr. Kelly: Mr. Speaker, if there is time remaining in the time allotted for the hon. member for Vancouver-Kingsway (Mr. Waddell) might we ask some questions from this side of the House, if there are no objections?

The Acting Speaker (Mr. Blaker): The hon. member who had the floor does have a couple of moments left, and it is his privilege to accept questions from other members if he so wishes.

Mr. Waddell: Mr. Speaker, I would prefer to hear from the other members. I am not sure, but perhaps the Chair could tell me, how long this matter will be debated?

Mr. Knowles: Ninety minutes.

Mr. Waddell: I am informed 90 minutes, Mr. Speaker. I would like to hear from the other members. Personally, I would like to see the matter come to a decision. I would rather the debate proceed than answer questions. It would save time.

● (1750)

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I am pleased to speak on this motion. In doing so, I will in a way be speaking about a very important part of my life. I spent a large part of my professional life in the nuclear energy industry.

I wish to begin by saying that the nuclear energy industry in Canada and throughout the world has come of age. There is an increasing realization that if mankind is to progress and overcome the poverty in the Third World, it must have access to energy sources that have been developed by mankind. The nuclear energy resource is one that literally developed in the last half century.

In Canada, it has basically been developed over the last 35 years. It is a triumph of Canadian excellence in the area of research and development. This is a magnificent triumph of Canadians which is recognized throughout the world. Indeed, the Canadian excellence can be compared to the excellence of development in any area in the world in history. Canadians can be very proud that they have contributed to the development of nuclear energy.

That is not to say there are not concerns about this industry and apprehension by society at large. One of the reasons for this is that the industry has been kept underground. It has not been allowed to come forth into the open and present to the Canadian public and the rest of the world the substance of the whole effort of producing energy through nuclear fission and nuclear fusion. Indeed, the energy of the sun is nothing more than nuclear fusion. The world is sustained by nuclear fusion. We find that quite acceptable because it is at a distance.

I am convinced beyond a shadow of a doubt, as are many experts in this field, that mankind not only needs nuclear energy desperately in the evolving civilization, but knows how and has available at its fingertips the ability to cope with the problems resulting from this industry.

There is no problem so severe that mankind cannot solve it. I am referring to technical problems. The one thing mankind cannot solve seems to be fear. There is much fear, unjustly expressed, about this industry. For example, it is said we could not possibly solve the nuclear waste disposal problem.

The surface of the world has no end of radioactive deposits. In India one finds great areas of sand with fairly high radioactivity, and it has been there for ages. Indeed, cosmic radia-

tion, which is of a similar nature to nuclear reactors, heats the earth and impacts upon the earth all the time. There is a danger that we may be altering the atmosphere of the world such that the cosmic radiation may intensify considerably faster than anything from nuclear energy.

The first point I want to make is that mankind does not have a problem but an opportunity for potential success. Second, it has no choice but to use the success. Third, mankind will use this opportunity regardless of what some groups of society say today. The point is this; mankind must use it sensibly, rationally and with understanding rather than with fear and misunderstanding as advocated by some groups today.

One of the first things that must be realized in a progression toward acceptance in this area, because there still is great, great fear from the association of this industry with the atom bomb, the fusion bomb and the fission bomb, is that today there is development of radiation for curing cancer. Indeed, there are many areas where radiation is being used advantageously.

I come back to the essence of this problem, the fact that the whole area of research and technology must be brought into the open. It must be set up before all people so that they know what we are dealing with. They should know whether the solutions are there today or are going to be found tomorrow.

The greatest steps made in the Thirty-first Parliament were in two areas. The first was the freedom of information bill that was brought before this House. Its purpose was to get into the dark corners of the government and technology so the public would know what was going on. The second most important resolution or motion was brought forward by the government House leader. It was motion No. 3, brought forward on October 24, 1979. It proposed:

> That a special joint committee of the Senate and the House of Commons be appointed to inquire into the economic, social, environmental, health and international considerations bearing upon the role of the Government of Canada in the development, use, regulation and export of nuclear energy, including but not limited to:
>
> (a) Energy and economic policy considerations:

It was not limited to economic, social, environmental and federal-provincial considerations, but international considerations. This inquiry of the two Houses was given the widest possible terms of reference. It was permitted to dig into all the dark corners of this industry and put on the table for the people of Canada and the world where the shortcomings existed. It was also to put on the table the triumph, because this has been a triumph in Canadian technology; a triumph of Canadian excellence. Let no one say differently. The world recognizes this.

On February 18 of this year the government changed. Instead of coming forward and saying to the people of Canada; we will bring before you, to a large degree, the future energy sources for mankind, and I repeat that solar energy is literally nothing more than fission energy; we will open the gates and the cupboards and tell you what we have done as a government over the past 35 years and what we are doing today in this field of technology and commerce in order to study nuclear energy. This government is filled with fear. Why is that so? It is going to do an internal examination and review. In the few short months we were in government we had occasion to speak with the AECL people and to have before us in the energy committee last fall—

May I call it six o'clock?

The Acting Speaker (Mr. Blaker): Order, please. The hour for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock this evening, at which time the House will resume debate on Bill C-30.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. MacEachen that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: Order. When the debate was interrupted at 5 p.m. the motion for second reading of Bill C-30 was under consideration and the hon. member for Assiniboia (Mr. Gustafson) had the floor.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, at five o'clock I was speaking about how in the past 12 years the government had been spending money. I was trying to bring to the attention of the government that it is now asking for $12 billion without giving the public a clear understanding as to how it will be spent.

We have dealt with how the government has spent money in the past, and that is a pretty dismal record. I would also like to deal with where money has been spent. I have given several indications of why we feel very strongly that we have been short-changed, and I would like to bring a couple more of those indications forward. Simply put, I think the cow seems to be fed in the west and milked in the east. A good indication of that could be seen in the House about a week ago. I asked the minister who answers on matters relating to the Canadian Wheat Board if he would consider, in times of drought in western Canada—and particularly after farmers had subsidized the price of bread in Canada to some $25 million since

the first of February—if he would give the same consideration as that given by the Conservative government in power just a year ago. I received the following answer:

On May 29, you inquired in the House whether the government would increase the price of domestic grain as of February 1, 1980, and how farmers are to recover the $25 million they have lost.

A little further on he says:

There is therefore no plan to reimburse producers for their costs as a result of the program during the recent period when world prices were above the domestic maximum.

It was interesting to note, however, that a day later I received on my desk a news release from the Minister of Agriculture (Mr. Whelan) stating:

Agriculture Minister Eugene Whelan today announced that a cheque for $5 million has been sent to Quebec—

A little further down it says:

Under the Quebec program, the federal government is providing $33.5 million over a five-year period—

● (2010)

All I want to suggest is that it is high time we in this House gave some consideration to where moneys are being spent. We in my constituency ask for some consideration, particularly in view of the fact that the Prime Minister (Mr. Trudeau) in his Speech from the Throne asked that special consideration be given to western Canada because there was no representation, for the most part, in western Canada. I am glad I can stand in this House this evening and speak for a party which has members in all provinces of Canada. I believe it is important when the government is considering its spending—particularly in the case of spending $12 billion—that it consider fairness.

There came to my desk today a news release from the hon. member for Vegreville (Mr. Mazankowski), which says:

The Minister of Transport's intention to deprive over 7500 western grain farmers of 1000 miles of rail branch lines is another indication of the Trudeau government's misunderstanding of and indifference to the needs and objectives of western Canada.

This leads me to another point about government spending, which I think is very important and relevant to Bill C-30. We have come through a time when, in western Canada in particular, we were not moving grain. It is all right to talk about government spending and so on, and to criticize it, but it is another thing to come up with some answers. I suggest that there are some answers. One answer is found in productivity. Western farmers have produced wheat. We had not put in a system of rail grain movement in general that was handling our production, and that was a gross error on the part of the government that is in power today. The former minister of transport, the hon. member for Vegreville, did a tremendous job of adjusting some of the inadequacies and some of the problems that existed in that area, and this is bringing about some results today. It looks like we are back to the old game; 1,000 miles of transportation is in question. I suggest it is very important that we look at productivity. I represent people who are very productive in two areas: agriculture and the oil industry. If we are going to find some solutions to the problems and stop the extravagant spending of the government, we had better find some solutions to productivity problems.

Our government was blocked. In fact, it was put out of power, and, if I recall correctly, I was the last speaker before the government was put out of power. We brought down a budget which would have provided a way to make Canada productive, particularly in energy, which is very important and will be very important to Canada. It is interesting to note that to this point the government, after only several months, has done nothing about an oil pricing agreement. There have been no negotiations which have brought forward any result in terms of coming to an agreement. At this point the two sides seem further apart. OPEC is talking about $37 a barrel for oil, and we in western Canada are receiving less than half the world price. We basically have no program for self-sufficiency or production.

Mr. Mazankowski: Confrontation and arrogance.

Mr. Gustafson: What brought all this on? For the past 12 years of Trudeau Liberal government the Prime Minister has allowed socialist trends to develop.

These trends have been the downfall of this country having regard to productivity, the lack of which has been unequalled in the history of Canada. Unless we reverse the trend in agricultural production—

An hon. Member: That's right, back to the stone age.

Mr. Gustafson: —and in industry, this country will face problems for many years.

● (2020)

I want to give you some indication from a very homey experience. I was involved in the contracting business, house moving. We moved a house for a gentleman to a town called Kipling. I happened to move that house in which he was retiring. He was of Hungarian origin and came over here as a pioneer. He took an axe in his hand and said, "What can I build?" On that farm was a log house that he built. The next house beside the log house was the one in which he lived from about 1920 to about 1948, and I am only guessing. He was using that house for a tool shed, and the house which we moved into Kipling for him and in which he retired was built by him in about 1948 or 1949. A story was told in that farmyard of someone who came to Canada, picked up an axe and said, "What can I build?" He hewed out, in the Canadian way—and he was one example of many great Canadians from various origins—a tremendous future which I as a member of Parliament and other members of Parliament and their sons and daughters are enjoying in Canada today.

Some hon. Members: Hear, hear!

Mr. Gustafson: The opposite trend to that in recent years has been to ask, "What can we get for nothing?"

An hon. Member: The Tories.

Mr. Gustafson: The socialist theory, brought into being in this country predominantly by the Leader of the Government today, has brought this country to a situation where we have forgotten about production.

I want to take my point one step further. In 1900, 97 per cent of the people were involved in agriculture; today, less than 5 per cent of the people are involved in agriculture. They produce enough food to feed all the people in North America and a good number of people around the world. Production is the word. Our farm boys produce in western Canada and in eastern Canada. In the west they work side by side with the oil boys who are out there pumping oil in temperatures of 40 below. There is some cost to production. The NDP and the Liberal parties have forgotten about that.

An hon. Member: Nonsense.

Mr. Gustafson: They have forgotten about it completely, seemingly.

An hon. Member: What are you talking about?

Mr. Gustafson: Production and the fact that we must produce. But what is the story in the oil industry?

An hon. Member: Tell us.

Mr. Gustafson: A lot of this work has been done by farm boys who worked on these oil wells and produced. The story is this, plain and simple. We in Canada are now furnishing, through production, oil for half price, but we are running far behind because the government has not put a program in place so that we can become self-sufficient in this country and so that, through production, we can have the wherewithal to make this country self-sufficient in energy.

I want to suggest to you that in the next few years, and perhaps next winter, one of the most important words will be energy. I want to suggest that you cannot produce food without energy. Canada is counting on this government. Canada is counting on this House of Commons. Canada is counting on the Liberal government on that side of the House—

Some hon. Members: Hear, hear!

Mr. Gustafson: —to bring an end to senseless spending. They are counting on you and they are counting on us. It is most important that we bring some responsibility back to the way in which we handle the finances of the taxpayer and the finances the government controls. Here we are asked to approve borrowing authority for $12 billion. But are we going to be productive?

An hon. Member: Yes.

Mr. Gustafson: Are we going to have some foresight—

An hon. Member: No.

An hon. Member: We always have.

Mr. Gustafson: —or are we not?

An hon. Member: Not from you.

Mr. Gustafson: As I said, we have not had an oil agreement. What has the government done?

An hon. Member: Alberta is overpaid now.

Mr. Gustafson: I want to quote from the *Leader-Post*. The article is entitled, "Messer sees different oil price deal". It reads:

> Messer said Lalonde is "somewhat mistaken" to assume co-operation means Saskatchewan would settle for less than Alberta. In fact, Saskatchewan is looking for a better deal than that sought by the other provinces.
>
> "We want a better deal, better in terms of enhancing and encouraging more resource development—

That is the key. It is not simply to get oil as cheaply as possible, with no conservation, and to use it up, with no direction in production. In our budget a year ago in this House we put into place a program which would make Canada self-sufficient in energy—

An hon. Member: Nonsense.

An hon. Member: You were still on holiday.

Mr. Gustafson: —and also a program that would not put this country into debt. It was looked at and commented upon by economists and by experts in many cases as an excellent budget.

Mr. Lalonde: Ask Bill Davis; and what about the minister of finance in Ontario?

Mr. Gustafson: The Prime Minister (Mr. Trudeau), appealing to the voters in this country, simply did one thing. He offered eastern Canada western Canada's resources at a price he cannot deliver. I want to suggest to you that this type of program will not work. But there is a program that will work; one of being responsible, a program of a fair price for a commodity and a program which looks into the future and to the welfare of this country.

An hon. Member: What is a fair price?

An hon. Member: Give us a fair price.

Mr. Gustafson: I see that my time is nearly up. I would like to say in closing that in terms of the excess spending we have seen in the last 12 years by the Liberal government, as never in the history of this country—

An hon. Member: The PCs have never spent, they have never been there.

Mr. Gustafson: I challenge you. The people of Canada are counting on this House for responsible direction.

An hon. Member: That is what they will get.

Mr. Gustafson: The deficit of this government is nearly the same as one year's deficit of the United States which has ten times the population. Do you call that responsible?

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, I certainly feel very privileged to speak tonight on Bill C-30, in view of the very obvious lack of understanding by many Canadians of the way in which our fiscal spending operates at the federal level. Furthermore, I should like to place on record the amount of federal funding provided to our senior citizens and to those in need of financial help. It amounts to slightly over $11 billion for 1980-81, or 19.1 per cent of our budgetary outlay.

● (2030)

The federal system provides that a transfer of payments be made in order that all Canadians are provided with a standard of living commensurate with other regions of Canada. The area of major expenditure in this context, of course, is the imported oil subsidy that ensures an equitable price structure to those areas of Canada which do not have access to our own domestic resources and have to import. It must be an equitable price structure for all Canadian consumers which enables our industries, farmers and fishermen to compete in international markets and thus provide jobs and opportunities for Canadians across this nation.

The transfer payments to the provinces for joint funding projects provide senior citizens with apartments through CMHC. I am proud of the fact that the Government of Canada is currently providing, by way of guaranteed loans, funding for these facilities to ensure that our citizens who helped build this nation have a retirement which is free of apprehension and want. I was sorry to learn tonight that the government of Ontario will be raising the rents on senior citizens' apartments by $18 per month when the leases come up for renewal. It seems very ironic that less than two weeks ago we in this House increased the guaranteed income supplement by $35 per household. The Liberals giveth, the Tories taketh away.

Another project funded by the same department is the sewage disposal projects and water purification plants where loans, forgivable loans and high cost grants were available, in some instances amounting to over 25 per cent of the total cost. The areas requiring massive amounts of federal funding, and rightly so, are the old age pensions, and of course to a lesser degree, the guaranteed income supplement, the Canada Pension Plan, unemployment insurance and family allowances. These programs ensure that our Canadian people enjoy one of the highest standards of living in the world. I would suggest to the House that to cut expenditures in these areas I have mentioned thus far would be irresponsible and would cause a degree of suffering in Canada that has not existed since the dirty thirties. Therefore, it becomes obvious that, if we are to maintain a standard of living which reflects equality for Canadians, we cannot dispense with either the transfer payments or the social benefits provided to senior citizens and those in need.

To ensure the continuation of these programs in relation to payments to persons we require current expenditures in this area which amount to 19.1 per cent of total federal expenditures. Certainly I hope hon. members across the House are not suggesting we cut back in this area and inflict untold hardships on those in need and those who have worked so hard to make this nation the best in the world. The federal government will spend 32 per cent of its total outlay on the health and welfare of Canadians in 1980-81.

If we are to ensure continuity of opportunity and quality of life across this nation, we must maintain a strong federal presence in these areas, so that the funds transferred to the provinces in need are used in a manner which does not create economic imbalance in other areas of Canada. I should like to point out that over 20 per cent of the main estimates represent transfer payments to the provinces, the territories or the municipalities. The major program associated with fiscal transfer programs is equalization. Perhaps we should not forget that we spend $5.7 billion for the financing of hospital insurance, medicare and post-secondary education. These contributions by the federal government to the provinces are intended to provide more stability in spending patterns and to provide the provinces with flexibility to administer their own programs. This federal contribution consists of a combination of cash payments and income tax transfers, both of which grow with our economy.

Certainly I hope hon. members across the way are not suggesting a cutback in the area of defence spending, which accounts for 10.5 per cent of our expenditures. With the unrest in the world today, our commitment to world peace must be honoured. I hope no one here would suggest we cut back our spending relating to food production or in any other area which contributes to our well-being, the creation of jobs or export opportunities in any region of Canada. It is in the area of economic development and support that we spend about 13.1 per cent of our total budget. While the expenditures may seem high, can we really do without the benefits provided by the central government? May I point out that only 18 per cent of our expenditures are used for government administrative services. However, if we were operating as a corporation or a company, naturally we would look at our borrowing requirements as an investment in our future. Let there be no doubt about it, we have a great future, but only if we utilize our resources, our human and renewable resources, and exercise care in the use of non-renewable resources which are so scarce in the world today.

There is no doubt that all of us have borrowed at one time or another for our businesses or our farms, to purchase our homes

or to further our education. Certainly we do this in anticipation of our potential. I submit that the potential in Canada is being developed in many sectors. For example, our offshore fishing rights have been extended to the 200-mile limit. This has provided stability to the industry in British Columbia and the Atlantic provinces, and has created jobs and opportunities which have brought increased sources of income to those particular areas. I am delighted another area of wealth and prosperity is being developed in the Atlantic provinces. I am referring here to the energy discovered off Newfoundland and Sable Island. I hope these new areas of prosperity will enhance the life styles of Canadians living in those regions, and that the need for central government transfer payments will diminish. As these needs diminish, and as these new sources of energy bring new wealth to this region, the need for energy equalization payments will no longer exist.

Bill C-30 provides borrowing authority of $12 billion for the year 1980-81. A few moments ago I referred to the fact that most of us at one time or another have borrowed funds in order to utilize our potential and realize our dreams. If we do not have this borrowing authority, must we cut back on the aid to our senior citizens? No, we must not place additional hardships on our senior citizens, the people who worked so long and hard to build this great nation. Should we cut back on energy transfer payments to the Atlantic provinces until their own resources come on stream? No, we must ensure that these Canadians have a continuation of their standard of living and not a deterioration of that lifestyle. Should we cut back on our joint funding programs? No, but we should carefully re-examine the method of transfer to ensure, for example, that all Canadians have access to hospitals and medical care, not to mention equal opportunities for secondary education.

I believe the government has shown responsibility over the last several years by curtailing growth of the public service in 1977-78, and reducing the size since that time. The net reduction for 1980-81 will be 5,840 person-years compared with the previous year. As Canadians we should be proud of our record over the last several years. While our per capita debt increased during the recent years of high energy costs, the federal per capita debt at the national level increased by less than half that of the province of Ontario during the same period. I am proud to point out that we have a lower per capita debt than our neighbours to the south. For example, the U.S. per capita debt is about $3,500 per person, while our Canadian debt is about $2,500 per person.

● (2040)

When we compare the base of our potential with that of other nations, it is obvious that Canada has a great future, a future that is the envy of the industrialized world. Bill C-30 seeks borrowing authority of $12 billion for the fiscal year 1980-81. This bill also seeks explicit authorization for the government to borrow in foreign currencies as well as in Canadian dollars. The government's projected budget and non-budgetary cash requirements for the fiscal year 1980-81 amount to $11,730 million. This amount excludes requirements for foreign exchange transactions.

In addition to these forecast cash requirements, there is always the need for a substantial margin of borrowing authority to provide for contingencies. For example, there are major uncertainties arising from foreign exchange transactions, since either a major weakening or a major strengthening of the exchange rate would have an impact upon the borrowing requirements of the government. If the Canadian dollar were to be strong, then the government would have to raise more Canadian dollars to borrow foreign exchange. On the other hand, the Canadian dollar could be weakened. Under those circumstances, the government would then be faced with the need to borrow foreign currencies.

This margin of borrowing authority is being provided by unused borrowing authority obtained prior to November, 1979, which is not subject to automatic cancellation at the end of the fiscal year. This unused borrowing authority, which is available for use at any time and which shall be carried forward, amounted to approximately $2.9 billion at the beginning of the fiscal year 1980-81. All unused borrowing authority obtained under the Borrowing Authority Act, 1979-80, was cancelled or lapsed on March 31, 1980. That refers to the borrowing authority granted by the House at the request of the former minister of finance.

Consequently to date, in fiscal 1980-81, new moneys raised have been charged to the $2.9 billion of unused borrowing authority obtained earlier and carried forward. However, these unused borrowing powers are rapidly being used up, and the government requires new borrowing authority to enable it to continue with the 1980-81 debt program. The borrowing authority of $12 billion now being requested, along with the remaining portion of the unused borrowing powers obtained in prior years and still available, should be sufficient to complete the borrowing program this fiscal year as well as to provide a margin for contingencies.

All outstanding and unused borrowing authority provided by this new act for fiscal 1980-81, in respect of which no action has been taken by the governor in council pursuant to section 37 of the Financial Administration Act, will be cancelled on March 31, 1980.

In closing, Mr. Speaker, the passage of Bill C-30 is required for the current fiscal year of 1980-81 to ensure the continuation of the programs so essential to the well-being of our citizens, and to ensure the continuing realization of our potential as a great and united Canada.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, this is the third opportunity I have had to participate in a debate on a request by the government for the borrowing of some billions of dollars. It is a subject which is particularly close to my heart because, as the hon. member for Edmonton North (Mr. Paproski), who is sitting close to me now but was not so close in those days, will remember, that was the subject of my maiden speech in October, 1978.

One year later, the hon. member for St. John's West (Mr. Crosbie), who was for a brief period the minister of finance, brought down a request for some $7 billion, and I had an

opportunity to speak in that debate, as did certain other members, and I will refer to them later. Today we have a government which is requesting $12 billion in borrowing authority from this House. In the interests of consistency, but also in the interests of something broader, I would like simply to once again go over the arguments which were made by both opposition parties—first by the Conservatives and ourselves in 1978, and then the Liberals and ourselves in 1979, and now again the New Democratic Party joined in opposition by the Conservatives to this particular request.

The way in which the Government of Canada, whether it be a Liberal government or a Conservative government, has gone about requesting from Parliament the authority to borrow either on domestic or international markets some billions of dollars is something which we as a Parliament must consider, look at very carefully and ask ourselves, in as non-partisan a fashion as we can, whether this is really the best way to conduct our affairs.

The origin of Parliament lies in the control of the public purse. The origin of Parliament and the tremendous conflicts between monarchy and the people in the seventeenth century and afterwards took place in England because the monarchy refused to treat the people with sufficient respect. The monarchy insisted on conducting its foreign wars without going to Parliament for approval. As well as the conflict being a question of religion and of the rights of democratic principles, it was about taxation and representation. I suggest to the government that those principles are just as important now, if not more important, than they were at the time of the rise of Parliament, considering how we conduct our affairs.

We are being asked to allow the government to borrow billions of dollars anywhere in the world, at whatever rate it should or can. Such a request has not only been made by this government, and I do not think that it is a question of attacking—though I certainly will have something to say about the particular conduct of this government and its Minister of Finance—put by previous Liberal and Conservative governments. Where is the opportunity for members of Parliament to question? Some members opposite will always say, "You can always question in committee."

You, being an experienced member of this House, Mr. Speaker, know how our committee system works and how overburdened our committees are. You, sir, know how responsive ministers are to questions in committee. You know to what extent members of Parliament are really able to deal with the hard, difficult, tendentious matters and come up with conclusions.

I suggest to the government, as I suggested to the hon. member for St. John's West when he was the minister of finance, and to the hon. member for Saint-Maurice (Mr. Chrétien) when he was the minister of finance, that it is no longer good enough to simply come into this Parliament and ask for a blank cheque without presenting a budget at the same time and without giving an indication as to what the revenue picture will be—in other words, where the money is coming from, how it will be raised, how people will be taxed and whether there will be indexation. Nor has the government explained how it intends to spend the money. Where is this money going?

• (2050)

It is in my view, Mr. Speaker, absurd for us to continue year after year with this cockamamy approach to the control of public expenditure and to this utterly cockamamy approach to the financial affairs of the country. As I say, it is not a partisan question. If I were a member of the government I would be equally concerned and if I were a member of cabinet I would be equally concerned. They know where these figures come from—the civil service. They give the economic policy here—the civil servants. Governments come and go—

Mr. Corbin: Some do.

Mr. Rae: Yours did and it will again. It is the entrenched force of the civil service which is there forever and it is that force we as members of Parliament have to be able to question, to grill, to find out what they intend to do, where they intend to raise the money and what they intend to do with it.

While browsing through the previous debates on this subject I came across the intervention last year by the Minister of Industry, Trade and Commerce (Mr. Gray) who is known in my part of the world as "Amazing Gray". He spoke on October 23, 1979, in his then incarnation—he once was fired but now he is hired, Amazing Gray—as the official spokesman for the opposition on financial matters.

The minister was in the House a moment ago, Mr. Speaker, and I am sorry he is not here now to listen carefully to his own words. All you have to do is change the label "Conservative" for "Liberal" and you have a very strong argument. I wonder if it is the same argument he makes in cabinet. We will never know. This is quite a long quotation but I think it is worth putting on the record. He said, as reported at page 509 of *Hansard:*

> Rather than using what appears to be a device to enable it to borrow to finance the activities of government if revenues fall because of economic growth being lower than predicted for the balance of the fiscal year, the government should move more quickly than it intends to present a budget. It should be a budget that contains measures of a focused and specific nature—

I wish he would tell the minister what the word "focused" means. He went on:

> —to help our economy become more productive and efficient and to deal with our deficit in current account.
>
> While the government may argue it does not have a lot of room for manoeuvre—

How many times have we heard ministers of finance, Tory and Liberal, Liberal and Tory, tell us that they do not have any room for manoeuvre. To continue:

> —it has just given us a new explanation of its stimulative deficit, just the opposite of what it said before and during the election—

How many times have we heard ministers of finance say just the opposite before and after an election. He went on:

> I believe it does have some room in a budget for measures of the kind I have suggested, measures which would at least blunt and contain the adverse effects

on the economy of the slow-down, the recession which is likely to be, unfortunately, already under way.

Then the final paragraph from Amazing Gray when he said:

But there is another serious flaw in the way the Conservatives—

Mr. Paproski: Here comes the minister.

Some hon. Members: Hear, hear!

An hon. Member: Resign.

Mr. Rae: The minister went on to say:

—are proceeding with this first financial measure they have called for debate in this new Parliament. They are seeking this $7 billion in borrowing authority in Bill C-10 without first presenting their own budget to Parliament. We do not have from the Conservatives a statement to this House, in the form of a budget, on what they expect the revenues and expenditures of this new government to be, and what will be the resulting deficit and cash requirements to be financed by borrowing for the balance of this fiscal year.

That was October 23, 1979, Mr. Speaker.

An hon. Member: How soon we forget.

Mr. Rae: How soon we forget the basic principle. The basic principle that the Minister of Industry, Trade and Commerce was putting forward in 1979 was that the Conservative government at that time should not be asking for billions of dollars without first presenting a budget. If that principle applied six months ago why does it not apply today?

Mr. Beatty: Because the Grits are the government.

Mr. Rae: The hon. member says it is because the Liberals are the government. Let me say to that hon. member that his government was exactly the same in 1979, and when they were in opposition in 1978. On this particular question it simply will not do for us to go back and forth every six months with the parties in opposition saying what they would do if they were in government, then becoming the government and doing the reverse. The people making the decisions on our financial affairs are exactly the same, apart from those people who are frothing about on the surface of our political life, the members of cabinet. The critical question is, who is in charge?

The basic principle we are putting forward is that there should be, at least three or four times a year, a presentation by a minister of the Crown to this House. It should be in the form of a statement on motions, about which he could be asked questions, and which would be referred to a committee, or in the form of a budget about which members could ask questions and cross-examine, or a statement as to where the money is to come from, what the taxation plans of the government are, where it will go and how they intend to spend it.

It is fantastic that we continue to conduct our affairs in this manner. It is fantastic that the only statement we have had from the Minister of Finance (Mr. MacEachen) regarding his views of the economy and what he might or might not do, what is possible, what may be the case or may not be the case, are the tealeaves that he left on the floor of the House of Commons on April 21 which we have been trying to read since, and the droppings he leaves after any question period which we have to examine to try to determine what the position of the government is.

We had the famous trial balloon on the question of the deficit from the Minister of Finance. He gave an interview—one of the exclusive interviews which he gives to the odd, favoured, members of the press, not to members of Parliament—to *Le Devoir*. He said it was probable—not possible, but probable—that the government would de-index the deductions and exemptions on income tax, and thus hoped to raise over $1.5 billion.

Then the deputy minister of finance spoke to the newly established Senate committee on the national finance, where all the important people seem to go these days. Dr. Stewart, the deputy minister, and Governor Bouey were there recently, giving their views on the economic situation. Dr. Stewart raised the same possibility that de-indexing in a general way might take place.

Today in this House we put another question about the tax system and the Minister of Finance gave us an answer to the effect that it was pure speculation, whether the government planned to de-index. It is not pure speculation, Mr. Speaker. This is coming from one quarter and one quarter only—the Department of Finance and the Minister of Finance. This is an odd way to conduct affairs.

In the latest edition of *The Economist,* the British magazine of economic affairs, there is an article in the World Business section about our Minister of Finance. I am surprised he stopped long enough for them to focus the camera, but there is a picture of him. Underneath the picture is the line, "MacEachen's ballooning". Among other things the article points out that the economic cost to this country of having no budget from last December until next year is:

—that fiscal measures are still in limbo while monetary policy, set on a moderately restrictive path, carries the anti-inflation load for the time being until a budget can be agreed.

● (2100)

I honestly do not see how the government can expect us to pass, to accept, or to vote in favour of a request for $12 billion when it has not told us what its taxation policy is, or what are its spending plans. In fact, this government has abused the House, played with the House and sent up trial balloons which are then shot down. This government has indicated that taxes may have to be raised in a general way, but we are not told which taxes have to be raised. The hon. member says this will come in a budget. In that case, the government should not be asking for $12 billion until such time as it is prepared to present a budget, so that we can pass on the whole financial picture.

The government cannot have it both ways. This government cannot conduct its financial affairs in a complete fog, the fog of dust, led by the Minister of Finance. Every time he makes a statement he totally confuses the public. It totally confuses the business people and destroys business confidence. It destroys the confidence which the average person has in the Government of Canada.

Some hon. Members: Oh, oh!

Mr. Rae: I see I have stirred up some of the sleeping lions who I know will vote for whatever measure the cabinet puts forward, and we have seen evidence of that, regardless of how strange it may be. I just want to speak to the Parliamentary Secretary to the Minister of Finance (Mr. Evans) about his own contribution and the contribution of the Minister for Industry, Trade and Commerce (Mr. Gray). Perhaps the minister will stand up and tell us how it is that events are now so different that a budget was required in October before he was prepared to accept the request for $7 billion and yet somehow, strangely, a budget is not required in June when his government is asking for $12 billion?

Mr. Paproski: Tell us, Herb.

Mr. Rae: That is a riddle or a conundrum I would like the minister to try to answer for us tonight in the House of Commons. The government cannot answer that question. There is a total contradiction between the kinds of statements and the kinds of things that were being said about deficits, about spending, about the nature of stopping deficits, the nature of taxation, the nature of the recession and what the Liberal party would do when it was elected, and what its record has been since it was elected.

There has been a total contradiction in the statements that were made by the financial spokesman for the Liberal party prior to the election and what the government has been saying since the election. There is a complete contradiction, and that contradiction has to be brought home again, again and again to the Canadian people. But above all else, this party opposite is a party without a shred of principle, without a shred of conviction and without a shred of belief in anything, either political or economic.

Some hon. Members: Oh, oh!

Mr. Rae: The only principle which keeps that motley band together is the lust for power. That is the only thing that keeps them there. When did we hear, prior to the election, from the Liberal party that a higher deficit was causing inflation? We heard that statement from the Liberal party when it was in opposition.

An hon. Member: They will divorce you if you are not careful.

Mr. Rae: In opposition, it was the hon. member for Windsor West (Mr. Gray) who said that deficits are less important than people. That is what he said. When will we hear that statement from the Minister of Finance, from the Minister of Industry, Trade and Commerce, from the Parliamentary Secretary or from the Prime Minister (Mr. Trudeau)? When will we hear those statements? When will we have a clear indication, now when the economy is heading into a recession, when our capacity for utilization of our industries is falling to 80 per cent, when in some industries it is below 70 per cent, when our unemployment rate for the fiftieth month in a row has been over 7 per cent of our labour force, that the government will reduce the deficit? If it is going to reduce the deficit, how will it be done, how will it raise the taxes and what expenditures will be cut?

The parliamentary secretary says that we have to get the deficit down. There are only two ways to do it, either by cutting expenditures or raising revenues. That is a statement with which no member of this House who has the moderate knowledge of mathematics, which the parliamentary secretary possesses, could disagree. That is not the question. They are the government. I ask them what they are going to do. Will they raise revenues or will they cut expenditures? I ask when and how will this be done? Until the government answers those questions, it does not deserve to get a penny authorized from this House, not a cent.

We should return to the historic role of Parliament. Parliament has to control the purse. Parliament has to exercise authority over the affairs of the country, not the Senate, and not by the Deputy Minister of Finance going to the Senate and giving a long philosophical discussion of what he might or might not do. This will not be done by the governor of the Bank of Canada giving speeches right across Canada saying what the economic policy of governments past and present have been or will be because whatever happens, Bouey XVI will be there for years to come. That is not the way policy is supposed to be made. Policy is supposed to be made here in Parliament, and it should be accountable to Parliament. We are the people who have been elected and we are the people from whom the rest of Canada expects some leadership and accountability.

We have this ritual that we go through with this government—and we went through it with the Tory government—of waiting months and months for a budget, having no indication of what its policy is, having dribs and drabs of statements, some saying the deficit has to go higher and the Prime Minister saying one moment that he is not particularly concerned about the deficit, the Minister of Finance saying that it is a very serious problem, Governor Bouey saying he is not worried about the fact that there will be extensive capital investment which will cause tremendous problems to the country in years ahead, and Dr. Stewart saying the reverse a week later in front of exactly the same Senate committee. This is no way to conduct the financial affairs of the country. It is certainly no way to conduct the financial affairs of Canada.

In closing, I want to make one point perfectly clear.

Mr. Beatty: The last person to say that was Richard Nixon.

An hon. Member: That is not a comparison.

An hon. Member: That is a good parallel.

Mr. Chénier: Now he is lost for words.

Mr. Rae: The economy is heading into a serious recession. The American economy is heading into a more major recession than was ever anticipated. This is no time for the government to be contemplating serious tax increases when there is no

evidence of excessive demand in the economy, either in the government sector, the private sector, or from consumer demand. That statement has to be made. It is many times said, almost as an incantation of faith, that the current deficit is causing major inflation and that we have to raise taxes in order to fight it. That is an incantation of faith which has no basis in fact. The fact is the general level of demand in the Canadian economy is dropping, dropping dramatically and dropping seriously. This is no time for the government to be contemplating, in any way, shape or form, tax increases which would only have the effect of hurting the average Canadian and of hurting the level of growth in our society.

It is all very well for the Minister of Finance to talk about inflation being public enemy No. 1, or the major problem facing the Canadian economy. Of course it is a major problem. Let me suggest to the government opposite that it was an obsession with the deficit and an obsession with using monetary and fiscal policy in order to fight inflation that led to the defeat of the Conservative government in December, 1979. The Liberal Party of Canada was not elected as a government in order to raise taxes at the present time, or to reduce expenditures at the present time, or to dramatically reduce the deficit at the present time. That was not the message the hon. member for Windsor West took to the Canadian people at that time. Nor is it the message that the hon. member for Ottawa Centre (Mr. Evans) and the hon. member for Timmins-Chapleau (Mr. Chénier), who has been so noisy this evening, took to them. The message they took was quite the opposite. Their message was that people were important, that the Tory budget was unfair and that they would not introduce the same budget. They have broken faith with the Canadian people more than once.

• (2110)

I want to give notice to the government that we will fight every inch of the way any effort by this government to tax the Canadian people in a punitive way as our economy is heading into a serious recession. It is economic suicide. It may be politically popular in some circles, possibly for those whose financial help keeps the heads of those in the Liberal party and the Tory party above water, but that is not the reason they were elected. It is certainly not the reason we were elected to Parliament and we have no intention of letting them get away with it.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, Bill C-30 on which we are to vote in the next half hour or so will give the government borrowing authority in the order of 12—

Mr. Taylor: On a point or order, Mr. Speaker. Is it not our turn to speak at this time?

Mr. Anguish: I believe it is.

Mr. Deputy Speaker: With all due respect, there is a division between two sides of the House. I understand a certain number were recognized on one side and on the other side. I am not aware that there is any break in the order.

Mr. Taylor: There was a PC speaker, then a Liberal speaker and then there was an NDP speaker.

Mr. Deputy Speaker: Order.

Mr. Simmons: Mr. Speaker, I would be delighted to hear what the hon. member who just intervened has to say on this subject. Since we on this side have been asked so many questions by those in opposition, I think we should take some time to respond and give our side of the story. I would like to talk for a few minutes about the bill before us, which would give the government borrowing authority of $12 billion for the fiscal year 1980-81.

I listened with some interest to the hon. member for Assiniboia (Mr. Gustafson), who unfortunately is not now in his seat. I see he is elsewhere in the chamber. He talked a great deal about how much the government has spent over the last 12 years. I wonder why he chose 12 years as opposed to some other number, why he did not go back a little further. Had he gone back just a few more years he would have been able to talk about a party in government of his own particular stripe, a Tory government.

When he was lamenting the size of the deficit being in the order of 24 per cent or 25 per cent, he could have made a very good comparison with another government, a Tory government, which sat in office here in Ottawa between 1957 and 1962. It had a deficit of something around 34 per cent, not 24 per cent or 25 per cent.

Some hon. Members: Shame.

Mr. Simmons: That member very conveniently chose his time period. He wanted to avoid talking about that period of government. I can understand that he did not want to talk about the eight months of interim government led by the hon. member for Yellowhead (Mr. Clark). Perhaps it is not fair to make too many comparisons. However, when he wants to go back ten or 12 years, I invite him to go back 16 or 17 and give us a fair comparison and tell us how high the deficit was. Before he goes looking, I can tell him the percentage was 34 per cent under the last Tory government, save that of the hon. member for Yellowhead, not 24 per cent or 25 per cent.

The very first requirement of any member who stands before this House is that he give the facts in some balanced manner, that he not misrepresent his case before the House. I submit the hon. member for Assiniboia did exactly that. He misrepresented the case of government spending over the past few years. I invite him to set the record straight on that.

If the hon. member wants to talk about Liberal spending and Liberal programs versus Tory programs, I will spar with him any day of the week. If he wants to talk about what the Liberals are doing for the people of Canada today, let me pick a specific example. We just kept a commitment, and I get a smile from some of the guys on the other side who kept raising questions—

Mr. Nielsen: Honourable guys.

Mr. Simmons: One day they lambaste us for not keeping commitments. Today in his preamble the hon. member deplored the government for keeping a promise. We happen to be proud of keeping our promises.

Some hon. Members: Hear, hear!

Mr. Simmons: One commitment we kept recently was to increase the guaranteed income supplement by $35. That is not news to this House. This House participated in it. What might be news to this House, and therefore I wish to get it into the record, is what the Tory government of Ontario has done since that increase came in. It moved to take some, and in some cases all of the increase back from the recipients of the GIS.

Some hon. Members: Shame.

Mr. Simmons: The Tory government in Ontario raised the rents in senior citizen homes by $18 a month in the past few days. How can you win? The great Liberal government wanted to do right for the people of Canada, but how can you win with so many Tory governments out there taking out of their left hands what they just received in their right hands? I am talking about the ordinary people across this country. It is shameful.

I say to the hon. member for Assiniboia that there are all kinds of examples of what this government is doing with the people's money. There are very good examples. I have just given one. I make a bargain with the hon. member; I will undertake, as my own personal crusade, to see that the money over here is spent even better, if he will talk to his Tory friends across the country, like Bill Davis in Ontario, who are gouging the senior citizens. How can we help them when Bill Davis insists on taking it away from them?

I make a deal with the Tory member for Assiniboia, that he talk to the Bill Davis' of this country and I will talk to the ministers of finance of this country as well as to the people of my caucus. That is a fair deal. Now for the NDP—

Some hon. Members: Oh, oh!

Mr. Simmons: What they lack in quality tonight they make up in quantity. I am glad the hon. member for Broadview-Greenwood (Mr. Rae) has come back into the chamber because he is the one who preceded me when speaking to this particular bill. The gentleman from Broadview-Greenwood is the armchair socialist in the NDP. The old enthusiasm has gone. It is not there any more. He has no more heart for it, not the same fire in the gut as he used to have. That happens to all armchair socialists. It happens to all those intellectuals who have it up here but do not believe in the cause. Around him, though, are some real socialists. I learned from the papers in the last day or two that the hon. member's leader is a real socialist. He is going over to Oslo to attend a meeting of the SI—the press release from NDP headquarters did not bother to mention what the SI is, but apparently the letters stand for Socialist International. So there are some socialists in the NDP.

• (2120)

Some hon. Members: Hear, hear!

Mr. Simmons: I don't know what the socialist from Oshawa is going to do when he gets over there, I don't know where he stands on the views of the Dominican Revolutionary Party—they are members of the Socialist International, too—

Some hon. Members: Oh, oh!

Mr. Simmons: —or the socialist workers party from Luxembourg. I am sure he will have a lot in common with them and I hope he will be able to throw some light on their discussions. And what about the unitary socialist party of San Marino, or the National Liberation Party of Costa Rica, or the National Revolutionary Movement of El Salvador?

Some hon. Members: Hear, hear!

Mr. Simmons: Bedfellows all!

Mr. Rae: Do you like the generals in Latin America? Are they better?

Some hon. Members: Order!

Mr. Simmons: But while there are socialists in the NDP there are also quasi-socialists, armchair socialists.

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker. I know it is difficult for you, but it is most unseemly that lovers should quarrel that way.

An hon. Member: What a contribution!

Mr. Simmons: I thank the hon. member for Nepean-Carleton (Mr. Baker) for coming in. He is a bit late, but he has obviously dined well. Welcome anyway. We have a few minutes left before we close down for the night. Nice of the hon. member to drop in.

Some hon. Members: Hear, hear!

Mr. Knowles: What about Bill C-30?

Mr. Simmons: The hon. member for Winnipeg North Centre (Mr. Knowles) wants to talk about Bill C-30. I have a few things to say about that but as a preliminary to answering the hon. member for Broadview-Greenwood (Mr. Rae) I was attempting to assess the vantage point he speaks from. It is not the vantage point of a socialist who skips all over the world, attending conferences in Oslo with his brethren from El Salvador and other places. He speaks from the perspective of an armchair socialist—one who thinks about these things but does not feel them very much.

An hon. Member: How do you know?

Mr. Simmons: It is not the perspective of a real, gut socialist like the hon. gentleman who sits behind him; not the perspective of the pseudo-socialist who sits to his right normally, but the perspective of an intellectual, an armchair socialist, one who has the solutions in his head to all the problems. Don't ever challenge him to put them into practice because he would be lost.

Some hon. Members: Oh!

Mr. Simmons: Mr. Speaker, we seem to be hitting a nerve with the armchair socialists.

An hon. Member: Say something!

Mr. Simmons: He talks about control of the public purse in the best and most serious vein he can muster and he says, with a maturity which belies his years—

Mr. Rae: You should be so lucky!

Mr. Simmons: —that there has been no opportunity to ask a question. Mr. Speaker, he was in committee this morning asking questions. Did anybody stop him there? Is he telling the House that he has been muzzled? If so, let him come forward and raise his complaint in the proper fashion. He is misleading the country when he says there has been no opportunity to inquire into these matters. There have been all kinds of opportunity. Of course, he does not want to admit that because it belies his version of the facts. He talks about allegations that we have done one thing in opposition and another in government.

Some hon. Members: Hear, hear!

Mr. Simmons: One thing is certain, at least; when we were in opposition, we could not be accused of the type of flip-flop the NDP has done in opposition. First of all, that party is never going to be in government anyway.

Mr. Anguish: What about the Liberals in western Canada?

Mr. Simmons: In the second place, as we have seen on so may occasions, most notably in connection with the referendum in Quebec, they are capable of taking both sides of an issue depending on what they think is the popular thing to say. They don't need to be in government to change gears. They do it just about twice every day on just about every issue. For instance, their finance critic, when interest rates were high, blamed the government for it. Now, when they are coming down, he gets upset if the government begins to take any credit. He cannot have it both ways. Either he cannot blame the government for the high interest rates or, if he does, he must allow us to take credit when interest rates are lower. Not only did that hon. member criticize the government for high interest rates, when interest rates began coming down very quickly he was on the air, that week, expressing concern that they might come down too fast.

Some hon. Members: Oh, oh!

Mr. Simmons: That was his concern, then. Yes, he was on both sides of that issue, too. He was against high interest rates but equally he was against low interest rates and he was pontificating on the CBC about the detrimental effect of low interest rates.

An hon. Member: Rubbish!

Mr. Deputy Speaker: Order, please. It is very difficult to hear what is being said.

• (2130)

Mr. Knowles: Tell us about Bill C-30.

Mr. Rae: Tell us what you are going to do with the $12 billion.

Mr. Simmons: We are going to spend it for the people of this country.

Some hon. Members: Hear, hear!

Mr. Simmons: We are going to use it well for the people. That is what we were elected to do, and we intend to do it well. They are all out tonight; the real socialists and the closet socialists are all out tonight. The hon. member for Broadview-Greenwood, the armchair socialist, says this is no time to increase taxes, and he is right. There is not a Canadian anywhere from coast to coast who disagrees with him on that. This is no time to increases taxes.

Mr. Rae: Talk to the deputy minister of finance.

Mr. Simmons: Even when I agree with the NDP, they do not want to hear it. If they listen, they might just get an angle on this one. Can anybody find one single Canadian who would agree that any time is the time to increase taxes? The hon. member for Broadview-Greenwood thinks he has again latched on to a popular issue when he tells the country tonight that this is no time to increase taxes.

When interest rates were high, the hon. member was telling us to get them down low. He changed his mind afterward, but that is another issue. He always manages to peddle what he considers a popular line.

Mr. Rae: It works in Broadview-Greenwood.

Mr. Simmons: The hon. member says it works in Broadview-Greenwood. He can fool some of the people some of the time, but he will find sooner or later that he does not fool all the people all the time.

Some hon. Members: Hear, hear!

Mr. Simmons: That is where the crunch will come for the hon. member. He can sit here and laugh at the people who elected him—

Mr. Anguish: Mr. Speaker, I rise on a point of order. I wonder if there might be unanimous consent in this House that the hon. member who has the floor discontinue his speech and let the previous speaker carry on with the intelligent conversation he had—

Mr. Deputy Speaker: Order, please. The hon. member for Burin-St. George's (Mr. Simmons).

Mr. Simmons: It is all right, Mr. Speaker, I now have some information. As I was saying, the hon. member for Broadview-Greenwood can sit and laugh at those who elected him if he wants. He can poke fun at them for the next two or three years, but he is going to have to go back and meet them at the polls again in three or four years. Instead of looking for short-term cliches which fool some of the people, whether in Broadview-Greenwood or wherever, he ought to address himself responsibly to some of the problems of this country. If he did, he would long be remembered, and his contribution in this House would be much greater.

No time is ripe to increase taxes. No one on this side of the House is advocating that. I do not believe anyone who sits in this chamber, in opposition or in government, knows at this time whether there will be a tax increase.

That brings me to the rumour we hear from opposition benches about tax increases of all types. Nobody on this side of the House has decided whether there will be a tax increase. Where did the rumour come from? It is another convenient invention of the hon. member for Broadview-Greenwood. He is trying to fool a few more people. The hon. member for St. John's West (Mr. Crosbie) has been fooling people for years.

Mr. Orlikow: He was a Liberal and a Conservative.

Mr. Simmons: We got rid of him. He was a Liberal, but he went to where he belonged. A convenient rumour has been invented by the hon. member for Broadview-Greenwood and the hon. member for St. John's West to fool a few people and to convince them that somehow they are fighting their battles.

Whatever happens to be in the budget this government will bring to the House, there is one thing which will not be in it. If hon. members want specifics, I have them tonight. I have had a talk with the Minister of Finance. Facts are coming in all the time.

An hon. Member: Here comes John Evans.

Mr. Deans: Do you believe him?

Mr. Rae: If you believe Evans, you will never get anywhere. He wants to raise taxes.

Mr. Simmons: I can tell the armchair socialist from Broadview-Greenwood one thing about the budget; it will not contain an 18-cents a gallon gasoline tax.

Some hon. Members: Hear, hear!

Mr. Rae: Will it be 17 cents or 17½ cents?

Mr. Simmons: He has started another rumour, Mr. Speaker. He can even make a rumour out of a suggestion of fact. This fellow can even twist a non-fact.

He has started his rumour-mongering already. Now he will rush out and say it will not be 18 cents but that it might be 17½ or 17¼.

Mr. Knowles: Are all Newfoundlanders like that?

Mr. Lefebvre: Only the good ones.

Mr. Simmons: One of the real socialists opposite is the hon. member for The Battlefords-Meadow Lake (Mr. Anguish). To his credit, he is one of the real socialists. Why he is not going to Oslo with his brethren from Costa Rica I do not know. There is a difference between the real socialists and the armchair socialists like the hon. member for Broadview-Greenwood. There is a difference not only in title and style but also in substance. The hon. member for Broadview-Greenwood calls for letting the deficit go to fight unemployment and to stave off recession. That is his cure-all, but the real socialist from The Battlefords-Meadow Lake has a different view altogether. As the NDP representative on the public accounts steering committee he says that the deficit of this government, which he says last year was $16 billion—he is only $4 billion out, but that is another issue—is shameful.

An hon. Member: The year is not over yet.

Mr. Simmons: The differences over there are very great. What is presented to the House as a united party is indeed a group of people searching *The Globe and Mail* for something about which to ask questions. That is the only thing that unites hon. members opposite. They all read *The Globe and Mail* at about 5.30 every morning to see what they can ask in the House.

I have a few more words to say about Bill C-30, which would give this government borrowing authority. It has become the in thing and the trendy thing all over the country to lament the size of the deficit.

• (2140)

You gain a special respectability as a Tory if you go out and say the deficit is large. You do not remind the people of the Tory deficit when they were in power some years ago, a long time ago. They are not in power very often, but the last time they were in power for a length of time, back in 1957, 1958 and 1962, the deficit, if you remember, was about 34 per cent as compared to 24 per cent or 25 per cent now. They do not remind people of that, they just go on talking about how large the deficit is. This is the respectable thing to do. It establishes your credentials as a Tory to go around talking about the deficit and how large it is. To put it in another way, it is the litmus test.

An hon. Member: You better learn the language or you will get nowhere in the cabinet.

Mr. Simmons: It is the litmus test. If you wish to qualify as a profound scholar of public finance in this country, you have to talk about deficits and how large they are. It is the trendy thing to do these days. As I said, you have passed the litmus test; it shows you qualify as a Tory.

An hon. Member: As a Liberal, Roger.

Mr. Simmons: Mr. Speaker, I told you that fellow was an armchair socialist. Now he feels constrained to defend the Tories.

I would say to the hon. member for Nepean-Carleton (Mr. Baker) that he should be careful of the kind of help he is getting from the hon. member for Broadview-Greenwood (Mr. Rae), very careful indeed. Is it that the hon. member for Broadview-Greenwood cannot listen for a moment? He might learn something. I am not sure he would, but perhaps he would.

Mr. Knowles: Give us something to listen to.

Mr. Simmons: I would say that the member for Broadview-Greenwood makes a lot more sense now when he is sitting down than he did when he was standing up.

Some hon. Members: Hear, hear!

Mr. Simmons: I want for a moment to refer to something the hon. member for Edmonton East (Mr. Yurko) mentioned when he spoke on this bill a day or so ago. He said then:

Rather interestingly, in this new Parliament what has now been given to us in the economic statement is an indication that the federal level of spending in relation to the gross national product will grow by 2 per cent—

He is playing loose with the facts, Mr. Speaker. I want to say to the House that that is not true at all. It will not be of the order of 2 per cent, and I want to get that into the record.

An hon. Member: What will it be Roger?

Mr. Simmons: It will remain in the range that it had been in 1975, not the increase about which the hon. member for Edmonton East spoke.

An hon. Member: Which is what?

Mr. Simmons: Now I want to come to the hon. member for York-Peel (Mr. Stevens), the former president of the Treasury Board, who spoke about the consumer price index figure. In his speech in the House a day or so ago he alleged, or stated as though it were a fact, that a noted international publication had ranked Canada as sixth among the industrialized nations in terms of the consumer price index figure, the increase in those figures. Once again, he misleads the House. If he will read a very respected British periodical, *The Economist*—a good Tory periodical from which the hon. member for Broadview-Greenwood quotes, badly, but he quotes from it—he would see that the facts are not at all as the hon. member for York-Peel says. We do not rank sixth, we rank fourth, very closely behind West Germany, Holland and Japan. We are ranked a long way ahead of such countries as France, way ahead of Italy, Sweden, the United States and the United Kingdom.

An hon. Member: Where are we on unemployment?

Mr. Simmons: This member who should know better, the former president of the Treasury Board in the Tory regime, if he is going to read all kinds of statistics in the House, the very least you can ask of him is that—

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: It being 9.45 p.m., pursuant to the order passed on Monday June 9, 1980, it is my duty to interrupt these proceedings and put forthwith every question necessary to dispose of the motion before the House.

[*English*]

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

Mr. Deputy Speaker: There is no point of order at this time.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion of Mr. MacEachen, which was agreed to on the following division:

● (2200)

(*Division No. 8*)

YEAS

Messrs.

Allmand	Collenette	Duquet
Appolloni (Mrs.)	Comtois	Ethier
Bachand	Corbin	Evans
Baker (Gander-Twillingate)	Corriveau	Ferguson
Beauchamp-Niquet (Mrs.)	Cosgrove	Fisher
Bégin (Miss)	Cousineau	Fleming
Berger	Cullen	Foster
Blais	Daudlin	Francis
Blaker	Dawson	Frith
Bloomfield	De Bané	Gauthier
Bockstael	de Corneille	Gendron
Bossy	Demers	Gimaïel
Bujold	Deniger	Gingras
Bussières	Desmarais	Gourd
Caccia	Dingwall	Gray
Campbell (Miss) (South West Nova)	Dion	Guay
Campbell (LaSalle)	Dionne	Guilbault
Chénier	Dionne (Chicoutimi)	Harquail
Chrétien	Dionne (Northumberland-Miramichi)	Henderson
	Dubois	Herbert
	Duclos	Hervieux-Payette (Mrs.)
	Dupont	Hopkins
	Dupras	Isabelle
		Johnston

Messrs.

Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Loiselle
MacBain
MacDonald
(Cardigan)
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Marceau
Massé
Masters
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—124.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Blaikie
Blenkarn
Bradley
Cardiff
Corbett
Crombie
Crosbie
(St. John's West)
Crouse
Deans
de Jong
Dinsdale
Ellis
Elzinga
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hawkes
Howie
Jarvis
Keeper
Kempling
Kilgour
Knowles
Kristiansen
Lambert
La Salle
MacDonald
(Miss)
(Kingston and the Islands)
Mayer
Mazankowski
McCain
McGrath
McKenzie
McKinnon
McLean
Miller
Mitchell
(Mrs.)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Paproski
Rae
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Stevens
Taylor
Thacker
Thomson
Vankoughnet
Waddell
Wilson
Wise
Young
Yurko—77.

● (2210)

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Madam Speaker: It being after ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 10.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 13, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

DEFECTIVE AUTOMATIC TRANSMISSIONS IN FORD MOTOR VEHICLES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity certainly to drivers of many Ford Motor Company products in this country.

In view of disturbing information that the Ford Motor Company has known since 1971 that some automatic transmissions lurch into reverse from park, that at least six complaints a month have been received by Ford about these slipping transmissions, that there have been altogether 291 recorded cases—including 41 injuries and four deaths in Canada—and in view of the fact that the Ministry of Transport has been investigating these incidents since 1977, I move, seconded by the hon. member for Erie (Mr. Fretz):

That the government immediately introduce legislation which would empower the Government of Canada to recall the 1.5 million Canadian vehicles with the alleged defective transmissions, and not wait for the results of inquiries in the United States.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

LEGISLATION TO IMPROVE PENSIONS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Yorkton-Melville (Mr. Nystrom), I move:

That this House commends the Minister of Veterans Affairs on the assurances he gave to the Royal Canadian Legion at its Dominion Convention in Penticton, British Columbia, on Monday of this week, that he would soon be bringing in legislation respecting veterans and their survivors, and this House urges the minister to do so before the end of this month.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

REQUEST THAT SALES TAX ON FOOD BE REMOVED—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that Canadians, who used to eat one meal a day outside their homes, are now eating two or more meals a day away from home, and in view of the fact that the federal government has imposed a 12 per cent federal sales tax on food service equipment, a tax which is inevitably passed along to the consumer in higher prices, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House urge the Minister of Finance to remove the sales tax, an action which would allow the consumer to save money on meals eaten in commercial establishments, and an action which could slow down the rise in the consumer price index.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

RETRAINING PROGRAMS FOR EMPLOYEES—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am glad that the President of the Treasury Board (Mr. Johnston) is in the chamber. I move, under the provisions of Standing Order 43, seconded by the hon. member for Rosedale (Mr. Crombie):

That by reason of the importance of the Government of Canada giving leadership in the field of employee retraining, the President of the Treasury Board make a statement in the House prior to the summer adjournment on the proposals of the Government of Canada for retraining programs for its public servants.

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

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

CANADA ASSISTANCE PLAN

NEGOTIATION WITH PROVINCES TO IMPROVE DAY-CARE PROGRAM—MOTION UNDER S.O. 43

Hon. David Crombie (Rosedale): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that 2,500 children in metro Toronto alone are on day-care waiting lists, and in light of the fact that provincial day-care funds are dwindling dramatically, causing real, everyday problems to working mothers, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That the government assume its responsibility to working mothers in this country by immediately undertaking discussions with social services ministers in the provinces to renegotiate the Canada Assistance Plan so that day-care will cease to be a luxury-priced item and will become available and affordable to all working mothers in this country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY TAX CREDIT

REQUEST THAT DECEMBER BUDGET PROPOSALS BE IMPLEMENTED—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Since public transportation is very limited and not available to many Canadians who travel to work from rural to urban areas in the Atlantic provinces, and since contemplated oil price increases will result in substantially increased costs for these people, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Finance be directed to implement the energy tax credit proposals contained in the December 11 budget to assist Canadians earning less than $21,000 per year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

OFFICIAL LANGUAGES

APPROVAL OF FRENCH SCHOOL IN REGINA—MOTION UNDER S.O. 43

Mr. David Smith (Don Valley East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Saskatchewan's provincial government recently approved Regina's first French school, and classes are scheduled to start next fall at Dr. Martin Leboldus High School in South Regina. I move, seconded by the hon. member for Kitchener (Mr. Lang):

That the House give unanimous support to this initiative which encourages the flourishing of the two official languages.

Madam Speaker: Under the terms of Standing Order 43, such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

REPRESENTATIONS BY NATIVE PEOPLES IN FEDERAL-PROVINCIAL DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity to the native peoples of Canada.

Considering the fact that the native peoples of Canada will only be involved at what we consider to be a third-tier level at the first ministers' conference in the joint work on the topic of Canada's native peoples and the constitution, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That provision be made for the native peoples of Canada to make official representations to federal and provincial ministers and their officials during the July 7 to July 25 session or the August 25 to August 29 session as posted in the Prime Minister's proposed agenda for constitutional reform.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

CLOSURE OF SALMON FISHERY—COMPENSATION FOR GILLNETTERS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Since the collapse of the west coast salmon gillnet fisheries appears evident because of recent federal closures of the Fraser River and Rivers Inlet for chinook fishing, and since British Columbia gillnetters cannot afford the harsh economic realities imposed by prolonged closures for conservation purposes, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That the Government of Canada initiate early discussions with representatives of the fishermen to investigate how gillnetters might be compensated for their income losses and/or to consider some other long-term insurance type solution designed to eliminate or minimize the financial instability in the industry.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

TASK FORCE TO STUDY PAY AND BENEFITS OF ARMED FORCES—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that there are many armed forces personnel and their families in Calgary and other centres who are eligible for welfare supplements, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House direct the Minister of National Defence to appoint a task force outside the chain of command to examine military pay and benefits in relation to the cost of living in various communities to which armed forces personnel and their families are posted.

Madam Speaker: Such a motion would require unanimous consent before it could be put to the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

EXTERNAL AFFAIRS

NATO—CONDEMNATION OF CANADIAN REPRESENTATIVES ABSTAINING FROM VOTE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. On June 7, in Luxembourg, the North Atlantic Assembly voted on a draft resolution "condemning the Soviet invasion of Afghanistan as a violation of Afghanistan's sovereignty and territorial integrity and of the right of the Afghan people to self-determination".

The resolution went on to call for a strengthening of the NATO alliance. The NDP member for Selkirk-Interlake (Mr. Sargeant) and Liberal Senator Royce Frith, members of the Canadian delegation, abstained from this vote. I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House condemns the NDP member for Selkirk-Interlake and Liberal Senator Royce Frith, and urges that they be removed immediately from the North Atlantic Assembly parliamentarians' group.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INDEXING OF PERSONAL INCOME TAX—GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the somewhat elusive Minister of Finance. On Tuesday we heard bad news about increasing unemployment figures and today, as the minister knows, we have a cost of living increase announced of 1.2 per cent in May. That is a year over year increase of 9.4 per cent and an annualized rate of 14.4 per cent. But even more alarming is that the underlying rate of inflation, when we remove food and energy costs from the index, was also up 1.2 per cent, which is a year over year rate of 9.1 per cent, the highest since 1976.

Given this burgeoning inflation rate, would the minister now advise the taxpayers of Canada and the House that the government definitely and unequivocally is not going to remove indexing from the personal income tax system, as the Minister of Finance said was a probability several weeks ago and as his assistant said had a 50-50 chance? In view of this burgeoning inflation rate, will the minister now make it clear that the government is not going to attempt to take advantage of inflation to get additional revenues in an unfair manner from the people of Canada, and that this is definitely ruled out?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, while the statistics on inflation are serious and have to be taken into account, I doubt whether the term "burgeoning" is justified. I am sure the hon. gentleman would not have described his forecast of inflation which he made last December for 1980 as burgeoning.

However, that aside, I am delighted the hon. member raised the question of indexation and the possible removal of indexation from the income tax system, particularly his use of the word "probability".

Mr. Crosbie: That was your word.

Mr. MacEachen: The hon. gentleman says that "probability" was my word. I want to assure the House that it was not my word. I was asked by a newspaper reporter from *Le Devoir* whether I was considering the removal of indexation as a possible revenue measure. After he had brought to my attention the statistics which the hon. gentleman obligingly provided in his budget papers, showing that over the years there had been a revenue loss of some $5 billion to $8 billion as a result of indexation, what I said to the newspaper reporter was that, yes, that was one of the possibilities, side by side with other revenue measures which had to be considered in preparing the budget. That was the beginning, and that is the situation at the present time. It is a matter that obviously will be considered.

I understand the hon. gentleman himself stated that he had considered it at one time, and maybe he would permit me to do the same thing.

Mr. Crosbie: Madam Speaker, I made it very clear that I considered and rejected the removal of indexing in the income tax system. It was rejected.

I remind the minister that his deputy minister of finance, Mr. Stewart, in addressing a Senate committee on May 27 said that the forecast of last December was now going to be exceeded, so the likelihood is a rate in excess of 11 per cent. In view of these alarming figures, will the minister now tell this House that he is no longer considering the de-indexation of the personal income tax system, that he is not going to take advantage of the inflation that the government is permitting in this way, and that it is ruled out even though the Liberal member for Mercier has stated in the 74-page policy document of the Liberal party "that Canadians are undertaxed compared with people in many countries"? Even though Liberal members of Parliament believe they are undertaxed, will he rule out indexing and attacking lower income taxpayers in that manner?

● (1120)

Mr. MacEachen: Madam Speaker, obviously the hon. gentleman himself agreed with the analysis that Canadians were undertaxed, in view of the massive tax increase which was contained in his December budget.

Some hon. Members: Hear, hear!

Mr. MacEachen: Otherwise he would not have levied such very heavy taxes. I do not complain about the necessity for additional revenues. I believe that if we in this country are to make any progress in reducing the deficit, and if we are going to introduce any additional necessary programs, there may be a requirement for additional revenues. I have never concealed that.

The hon. member says that he considered de-indexation and had rejected it. I presume that he declared his rejection after he had prepared his budget, not before, and I will await the budget before finalizing my opinion on revenue sources.

Mr. Crosbie: Madam Speaker, the minister is the only person in the House who is like Wynken, Blynken and Nod all at the same time: he can do it all together. The specific question he has been asked is whether he would now tell the Canadian public that he will no longer contemplate the de-indexation of the personal income tax system. That is the question.

Let me remind the minister that in the election campaign leading up to February 18, the Prime Minister and the people who campaigned with him never once mentioned to the Canadian people that they are undertaxed. They said they were being overtaxed. They never mentioned there was any need for government revenues being increased. So will the minister now confirm to the House that they will stick to their pre-election position and there will be no taxation increases, and that indexing is ruled out for now and forever as long as this government is in power?

Mr. MacEachen: Madam Speaker, the hon. member is creating, for his own purposes, a fictitious Liberal platform.

Some hon. Members: Oh, oh!

Mr. MacEachen: I happen to have been chairman of that platform committee and I know what was said with respect to taxation and new programs. For example, we said that if we were to introduce the guaranteed income supplement, we would bring in new taxes. The Prime Minister stated in the campaign that he would likely secure those taxes from the corporate sector. That is exactly what happened. But there was no pledge that there would be no tax increases under a new Liberal government.

Some hon. Members: Oh, oh!

An hon. Member: Another flip-flop.

* * *

FINANCE

PRIME INTEREST RATE OF CHARTERED BANKS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Finance. Has he noted that the shares of the Royal Bank set a 1980 high yesterday, and that John Mitchell of Greenshields attributes the strength to lower interest rates, which he predicts will increase the bank's domestic profit by as much as 40 per cent in the fiscal year 1981 if present interest levels are maintained, raising profit to more than $10 a share in fiscal year 1981 compared with $7.40 a share in the current year?

If the minister is aware of that, is he also aware of the fact that the Royal Bank last lowered its prime interest rate one month ago today, when it went down to 13.75 per cent, and notwithstanding the bank rate having now gone down to 11.29 per cent as compared to the then 14.17 per cent, the Royal Bank prime rate has not come down nor have the prime rates of the other major banks?

If the minister has noted these facts, would he tell us whether he has inquired as to why prime rates are not coming down in a more direct relationship to the bank rate?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member seems to find some difficulty in accepting the notion of decreasing interest rates. The fact of the matter is that in the last number of weeks there has been what one might call a phenomenal decrease in interest rates, in the bank rate and in other rates in this country. I regard that as a most welcome development. The hon. member asked me to relate the bank rate to the prime rate. He knows that from time to time there are lags in these adjustments.

● (1125)

Mr. Crosbie: Quite a lag.

Mr. MacEachen: But the trend is downward. That is the important thing. The rates now are much lower than the high rates I inherited from his government.

Mr. Stevens: Madam Speaker, my supplementary question is directed again to the Minister of Finance. He must know that the only meaningful interest rates for consumers in Canada are the prime rates and the rates they are paying on their mortgages and consumer loans, not the bank rate to which the Minister of Finance is referring.

Has the minister inquired from the chartered banks why, in fact, their prime rate structure has been static? It has not gone down over the last month; it has been static at 13.75 per cent, notwithstanding the bank rate drops in Canada and the rather sensational prime rate drops in the United States where prime rates are now lower than they are in Canada, whereas during the Clark years prime rates in the United States were higher. He knows that, because he is grinning.

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, I had the opportunity last night to spend several hours at a meeting with the Canadian Bankers' Association.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): That is where you get your answers.

Mr. Stevens: We know whose side you are on.

Mr. MacEachen: I discussed these and other questions with members of the banking fraternity. I want to assure the hon. member that the same vigilance this government has exercised with respect to establishing policies to bring about a decline in the bank rate also will be applied to the prime rate.

Mr. Andre: At least blush when you say that.

Mr. Stevens: Madam Speaker, my supplementary question to the Minister of Finance is—when?

Mr. MacEachen: Madam Speaker, the proof of the pudding is in the eating. The hon. member has been served it every day in the House in the way of lower rates.

Some hon. Members: Hear, hear!

MONITORING OF INTEREST RATES CHARGED BY CHARTERED BANKS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a question for the Deputy Prime Minister and Minister of Finance concerning the food he has been feeding us for the past two months. It follows directly on the questions of my socialist friend from York-Peel, the ones he picked up from us yesterday concerning the problem of the rates being charged to consumers.

If the minister is serious in the answer he gave to the hon. member for York-Peel, when he said he will be vigilant in following the interest rates charged to consumers, the prime rates and the rates charged to small businessmen, could he please answer the question I put to him yesterday? Why have the Minister of Finance and the Minister of State for Finance specifically rejected proposals from this party which have been forwarded to him and which I am sure he has seen? They would give the minister the power and ability under the new Bank Act to monitor interest rates charged consumers and small businessmen by the chartered banks. They would give the government responsibility for assessing whether they are reasonable and whether excess profits are being made by the banks, in light of economic conditions.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, perhaps the hon. member would be prepared to wait until the banking bill has come out of committee before raising these questions in the House.

Mr. Rae: He has rejected them in committee.

Mr. MacEachen: If I wanted to raise a point of order, I would have a valid basis against the hon. member in raising questions which are presently under discussion in committee.

Mr. Crosbie: What a joke.

Mr. MacEachen: I want to tell the hon. member that all the amendments he has proposed with respect to financial disclosure—and I would gather this is part of his over-all series of amendments—are still under consideration by myself.

* * *

INDUSTRY

REBATES ON CANADIAN-MADE CARS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my supplementary question to the minister is no surprise.

Miss MacDonald: The poor consumer.

Mr. Rae: I look forward with interest to hearing what the minister has to say. My question to the minister follows the questions and answers that have been going across the floor of this House for over a month to his colleague, the Minister of Industry, Trade and Commerce.

● (1130)

Considering the fact that Canadian cars are being sold in the United States with large rebates being offered by the three large car makers, and considering the fact that the consumer price index figures issued today show that the lack of such rebates in Canada is putting serious pressure on the consumer price index, can the minister tell the House what his attitude is regarding those rebates, when the three large car makers are offering them in the United States on Canadian cars and not in Canada, and when we have signed a deal on pricing?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, to assist the hon. member with this very important question, and to follow up what I said in the House the other day, I had my officials contact the heads of the motor vehicle manufacturers to raise the question of rebates for cars in Canada with them.

They said that the market situation, as they saw it, did not lead to their deciding to offer these rebates directly to consumers. They have available, however, dealer incentive programs which, in their view, make available to Canadian consumers equivalent opportunities to the rebate programs in the United States.

An hon. Member: Could you believe it?

* * *

FINANCE

INFLATION—PROPOSAL THAT FAIR PRICES COMMISSION BE ESTABLISHED

Mr. Bob Rae (Broadview-Greenwood): A further supplementary question, Madam Speaker. We have the Minister of Industry, Trade and Commerce accepting the word of the three car makers, and we have the Minister of Finance consorting with the Canadian Bankers' Association. We know who they are with.

I should like to put a final supplementary to the Minister of Finance. The fact of the matter is that consumer demand has been falling dramatically, that real disposable income has been falling dramatically, and yet we have this persistent and consistent pressure on the price side.

In light of these conditions, and in light of the fact that corporate profits have been so high and some bank profits have been so high, will the minister reconsider the historic rejection by the Liberal party of a proposal from us that the government establish a fair prices commission so that we can get at the root of what is causing this inflationary spiral even when demand is falling?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to my consorting with the bankers. One of the bank's presidents told me last night how much he enjoyed the luncheon he had with the hon. member recently.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: He is blushing.

Mr. MacEachen: With respect to the very important question of policy raised by the hon. member, it is a matter that, if decided upon, would be announced to this House in a formal way.

* * *

TRANSPORT

DEFECTIVE AUTOMATIC TRANSMISSIONS IN FORD MOTOR VEHICLES—RECALL THEREOF

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I have a question for the Minister of Transport. In light of the disturbing news that many Ford Motor Company products have slipping transmissions which lurch into reverse from park, and that there has been a total of 291 recorded cases in Canada, with 41 serious injuries and four deaths, could the minister tell the House why there are no regulations on the books right now that would enable the federal government to force the recall of automobiles which are known to have defective parts?

Will the minister give the House an undertaking that the government will consider enacting legislation which would empower him and his department and the Government of Canada to recall automobiles with defective parts?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is in the law authority to issue a notice of defect. I also indicated before that the department can inquire, can inform and can do all kinds of things around the phenomenon of recall.

As I said specifically, however, the department does not have the authority to recall; that is very clear. Why? Simply because the system as it exists has been sufficient in possibly 99.9 per cent of cases to obtain the result which is contemplated. So as I said yesterday, in instances of this kind I, personally, do not believe that the legal process should be used to reach an objective which can be reached through other means less dramatic than the legal one. But this is a subject for debate, obviously.

Mr. Scott (Hamilton-Wentworth): What is most disturbing about this case, Madam Speaker, is that the federal Department of Transport has been investigating these incidents since 1977. I and other consumers would be interested in knowing what other cases might be under investigation by the depart-

ment regarding defective brakes as we heard about in the Volkswagen Rabbit case, faulty transmissions, and so on.

In the meantime, I should like to know what advice the government can give to the great number of concerned Ford drivers in Canada until the government makes up its mind what to do about recalling these vehicles. Is any kind of an information kit being issued, for example, in conjunction with the Department of Consumer and Corporate Affairs?

Mr. Pepin: Madam Speaker, I am interested in the subject, obviously and passionately. I shall have a kit developed myself and I shall send a copy to the hon. member. Communiqués to that effect come across my desk regularly. This was the case in the Volkswagen brake incident. I will package something and send a copy to my hon. friend.

* * *

ENERGY

DEVELOPMENT OF OIL SANDS PLANTS IN ALBERTA—OIL PRICING AGREEMENT

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In reply to my question yesterday about a possible one-year delay in construction of the two massive oil sands plants in north-eastern Alberta because of lack of an oil pricing agreement, the minister said:

> We are not the ones preventing those plants from proceeding. I am afraid the hon. member has the wrong information.

I would suggest that perhaps the hon. minister has the wrong information. Is it not true that the companies developing those massive oil sands plants must have a firm agreement on pricing before they can proceed, and that they do not have that from the federal government at the present time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member should know that there is a firm pricing agreement. This is going to expire July 1, but there has been one in operation for the last few years. As recently as two weeks ago Alberta Gas Trunk Line and Petro-Canada announced an intention to build a third oil sands plant without waiting for a firm oil pricing agreement. They decided they wanted to proceed. They have confidence in this government, and the government of Alberta, that we will provide ample funds for them to have a financially viable operation. This is the view of both governments and it is shared by the entrepreneurs concerned.

They need, and are waiting for, formal authorization from the government of Alberta and from the various boards and agencies of that government. Various fiscal incentives have been asked for from this government over the years, and they have been granted. What is lacking at the present time is the form of authorization from the government of Alberta. The hon. member knows that that kind of answer has not been forthcoming in the last year from the government of Alberta, not from this government.

Mr. Shields: Madam Speaker, will the Minister of Energy, Mines and Resources stand in this House and say that he has a firm agreement with Alsands on pricing, and that he has a firm agreement with Imperial Oil on pricing? Will he stand in this House and say "We have signed and we have a firm pricing agreement"? He should know that is not true, and that $12 billion in investment is ready to be put in place.

Some hon. Members: Question.

Mr. Shields: I will leave that one, Madam Speaker.

Mr. Lalonde: Madam Speaker, obviously the hon. member is more interested in making a speech than asking a question.

Mr. Andre: You invoked *force majeure*.

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TRANSPORT

DEFECTIVE AUTOMATIC TRANSMISSIONS IN FORD MOTOR VEHICLES—COMPENSATION FOR PERSONS INJURED

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is supplementary to the one asked about the failure to recall Ford cars since there have been four deaths in this country, 41 injuries and, I believe, nearly 300 accidents. If I heard the minister correctly in the House today and through the media yesterday he said that his department has some power to do something.

As his department has known about the problems for a few years, and since it has some power, does the minister not agree that the government has some responsibility to compensate people who have been injured as a result of these accidents, and some responsibility for the people who have died as a result of them, at least equal responsibility with the Ford Motor Company which manufactures the cars in our country?

● (1140)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I would emphasize that the safety authorities in the United States have reached what is called a "tentative finding." This tentative finding must now go through the process of public hearing. In other words, up to now the possibility of the fault has been studied in both Canada and the United States but there is no conclusive evidence. Ford still disagrees with the tentative finding made in the United States.

In this case, in a number of occurences, it is claimed that an accident can be imputed to slippage of the transmission, but there is no proof that this is so. The figures have been added up and they indicate that there is the possibility of such a fault. But, I repeat, it is not a proven fact.

LEGAL OPINION ON RESPONSIBILITY OF GOVERNMENT FOR COMPENSATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my supplementary question is directed to the Minister of

Justice. It concerns the failure of the government to recall any Ford cars despite the fact that four people have died and 41 have been injured as the result of faulty transmissions.

The Minister of Transport has said that the government does have some power to act, but it has failed to act despite the fact there is thought to be a problem. He is satisfied that there are no conclusive findings on the problem in the United States. I would point out that I am referring to cars which are made in Canada.

Has the Minister of Justice sought a legal opinion on this matter and, if he has not, will he seek a legal opinion to determine whether or not the government is equally responsible with Ford Motor Company if any deaths or injuries occur due to faulty transmissions, in light of the fact that the government has the power to put a stop to this matter and recall the cars, that it has known of this problem for a number of years and that this problem is causing undue hardship to a number of Canadians?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have not received a request from anybody on this matter to this day. I will certainly examine the question. I believe this responsibility comes under the administration of federal laws in the area of transport safety, that is under the Minister of Transport. I will discuss this matter with the minister. But I have not received a request from anybody regarding a criminal offence.

* * *

AGRICULTURE

INQUIRY WHETHER STABILIZATION PROGRAM HAS ASSISTED POTATO GROWERS

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, yesterday it was implied in the House and in the committee on agriculture that the Minister of Agriculture showed favouritism toward Quebec in the administration of assistance programs aimed at several types of agriculture. Could the minister tell the House whether it is true that the stabilization program has assisted potato growers of Quebec?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, wherever the stabilization program is used, it will be of some help. But there is no guarantee that it will be a profit-making apparatus. It is a program which, if used, would allow these growers to stay in business.

ENERGY

OIL—POLICY ON RATIONING

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Several weeks ago I asked the Prime Minister a question regarding the energy future of Canada and what the government's position was on the matter. I would like to rephrase the question and ask the Minister of Energy whether or not he understands, considering decreasing domestic oil supplies, the insecurity and instability of foreign imports and an inadequate and insufficient conservation and substitution program, that his policy is one of rationing and committing this country to rationing?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I certainly do not understand, for the very simple reason that that is not our policy. Our policy is to reach as quickly as possible a level where we will not be reliant on imported oil. This policy implies increased supply, better conservation programs and a whole series of policies to encourage Canadians to move off oil to alternative fuels.

I have already announced a policy, for instance, whereby refineries will upgrade oil in this country and whereby there will be greater access to natural gas. There will be savings of well over 100,000 barrels per day alone through the measures I have already announced. Our purpose is to achieve complete autonomy for Canada as soon as possible. There is a whole array of measures already in operation, and I hope to be able to announce further measures once an oil pricing agreement is reached, which I hope will be soon.

Mr. Gurbin: Madam Speaker, I understand very well the implications and the understandings. The inadequacy of the time-frames involved in all these measures to enable us to reach a goal where we will not require rationing, in fact, implies that the government has a rationing policy.

Does the minister understand the possible political frustrations and the frustrations among interested groups when rationing, no matter what form it takes, becomes necessary because of the short-term needs of oil in this country?

Mr. Lalonde: Madam Speaker, there is no rational policy—rationing policy.

Some hon. Members: Oh, oh!

Mr. Lalonde: Pardon me, Madam Speaker, I was thinking of the former Conservative budget.

Mr. Andre: After that first statement, your nose shrunk by two inches.

Mr. Lalonde: Coming to the present government, there is no rationing policy under consideration. As the hon. member knows, the Energy Supplies Allocation Board is working on measures, as are all other countries which are members of the International Energy Agency, to enable us to cope with a

situation which might arise out of an international crisis and which would create very serious problems for all western industrialized countries.

However, these measures are aimed at a very serious crisis of an international nature, and rationing is not a matter which is under consideration by this government.

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AGRICULTURE

REQUEST THAT EXCISE TAX BE RESCINDED

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of Agriculture, who during the early weeks of 1980 expressed himself as being completely and totally opposed to the excise tax as it was originally proposed by the hon. member for St. John's West. However, since he has been appointed to his high office, he has indicated that he would review the imposition of that excise tax.

Is the minister prepared to take some positive action to rescind that excise tax because of its oppressive, depressive nature and in light of today's announcement on continuing high inflation costs?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, my opinions about that tax have not changed very much. I am currently having very detailed discussions with my colleagues in cabinet.

Mr. Reid (St. Catharines): Madam Speaker, in light of the comment made by the Minister of Agriculture, I direct my supplementary question to the Minister of Finance.

Earlier, the Minister of Finance indicated that he, too, would review the imposition of that harsh, excessive tax as it is applied to the Canadian wine industry. Is the minister now prepared to say whether or not that review has been completed? The fact that the tax has been imposed is an indication that the review has been completed and of the disdain which the government holds for the Canadian wine industry and Canadian grape growers.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the representations which have been made by members of the government party, by the hon. member and by representatives of the wine growers, are still under consideration. It was certainly not my intention, in reintroducing the proposals of my predecessor, to place an undue burden upon the grape growers. I would be very concerned if any undue burden did occur. I can assure the hon. member that I am still considering the matter.

STUDENT AID PROGRAMS

INPUT BY STUDENT ORGANIZATIONS

Mr. Peter Lang (Kitchener): Madam Speaker, my question is for the Secretary of State. Does the Secretary of State plan to act on representations made by the National Union of Students and other student bodies that students be given the opportunity to provide a more satisfactory input into the review of student aid programs?

● (1150)

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for Kitchener for raising this question. It is obviously a question of great interest not only to university students in his home area of Kitchener-Waterloo, but also to university students right across this country.

An hon. Member: Sit down, Francis.

Mr. Fox: Perhaps, to set the record straight, I should start off by saying that the previous Conservative government and the Council of Ministers of Education did not provide for any student representation or even any student input into that very important federal-provincial task force looking at student aid policies in this country.

An hon. Member: Shame.

Mr. Fox: I had the opportunity of meeting with representatives of the National Union of Students on May 14 this year.

Some hon. Members: Oh, oh!

Mr. Fox: I would very much like to answer this question, because it is of great interest to student groups across the country.

An hon. Member: Sit down.

Mr. Fox: It is obviously not of interest to the previous Conservative government or to the present members of the opposition. As a result of this meeting with representatives of the National Union of Students on May 14, I decided to raise the matter once again with the Council of Ministers of Education. I met with the chairman of the Council of Ministers of Education in Victoria on May 27 last to discuss this matter more fully.

An hon. Member: Come on.

Mr. Crosbie: Sit down.

An hon. Member: Order.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I would like ask hon. members to allow the minister to answer the question.

Some hon. Members: Hear, hear!

Mr. Fox: I realize, Madam Speaker, that it is very embarrassing to the previous Conservative government to recognize its lack of interest in matters concerning student groups in this country.

An hon. Member: Order.

Madam Speaker: Order, please. I also have to call the minister to order. I would like him to answer the question.

Mr. Baker (Nepean-Carleton): You have over-pled your case.

Mr. Fox: I will be pleased to answer the question, Madam Speaker. As a result of this meeting with the chairman of the Council of Ministers of Education, the one-stage, no input process established by the previous Conservative government will be replaced by a second stage whereby the discussion paper to be produced by the joint federal-provincial task force will be made available to student groups, the National Union of Students in particular, in order that they may have meaningful input before any decisions are taken on matters of great concern.

Some hon. Members: Order.

Some hon. Members: Hear, hear!

An hon. Member: Show a little respect for Parliament.

Madam Speaker: Order, please. All questions deserve an answer if the minister so chooses to give one. A question has been asked. We must have the answer, but I would ask the minister to be brief and to conclude.

An hon. Member: This is an abuse of the House.

Mr. Fox: Thank you, Madam Speaker. My conclusion is that there will, indeed, be meaningful student input into the process following the publication of the discussion paper which will be made available to student groups in this country.

Some hon. Members: Order.

Mr. Fox: Unlike members opposite, who speak a lot about freedom of information but were not willing to make these discussion papers available.

Some hon. Members: Order.

Madam Speaker: Order, please. I do not know whether the minister has concluded his answer. I will ask if he has, and if he has then I will proceed to another hon. member.

Mr. Fox: Yes, Madam Speaker.

HOUSING

DESPERATE SITUATION ON INDIAN RESERVES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is to the Prime Minister of Canada, regarding the desperate housing situation on Indian reserves. In view of the fact that funds are urgently needed to build over 13,000 new homes that are backlogged, and that 24 per cent of the present homes on reserves are badly in need of repair, as well as the $12,000 per unit subsidy that is completely inadequate to meet current construction costs, will the Prime Minister assure us that additional funds will be allocated for reserve housing, as requested in an urgent memo recently to his cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will be glad to take notice of the question and research that document to which the hon. member refers.

* * *

EMPLOYMENT

TRAINING AND EMPLOYMENT OPPORTUNITIES FOR INDIANS ON RESERVES

Mrs. Margaret Mitchell (Vancouver East): My second question is to the Minister of Employment and Immigration. In view of the appalling and disgraceful state of housing on Indian reserves, will the minister explain why housing construction projects are no longer eligible for LEAP funding, since this program was essential to build housing as well as to provide training and employment opportunities for people on reserves? Will the minister also explain why no program has been initiated to fill this void?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in answer to the hon. member, I would say that a program has been initiated. In this House just two weeks ago we announced a program of Canada Development Projects across Canada which will have special additional funds allocated for native employment.

As we indicated in the opening statement in announcing that project, if other federal departments want to put up capital moneys, then certainly the labour component of those projects will be paid for under the Canada Development Projects. These funds are certainly available to any group on a reserve to initiate a housing program under that arrangement.

* * *

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER PRIME MINISTER WILL ACCEPT INVITATION OF CLAUDE RYAN

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the right hon. Prime Minister. In light of the

fact that Friday last he had the opportunity to meet with the leader of the Liberal party of Quebec, who is also the former president of the No committee, I imagine they discussed the list of subjects to be raised during the federal-provincial conference in September. Yesterday the leader of the QLP said that the list was nothing more than a draft which would have to be completely remade, devoid as it is of such fundamental elements as the linguistic and cultural duality of Canada and the existence of a distinct society in Quebec. Given those remarks, does the Prime Minister intend to accept the invitation the leader of the QLP made to him yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in his question the hon. member for Joliette said that he thinks the leader of the Quebec Liberal party and I discussed that list of priorities.

I can assure him that we discussed neither the list nor the statement of principles. I think the hon. member is making a mistake when he says Mr. Ryan stated that the list was just a draft. I rather think Mr. Ryan referred to the statement of principles. I, for one, do not contest such a description. I proposed it as such to the provincial premiers. It was a view of the federal government which I thought would have the support of a majority of Canadians but it certainly contains matters which are subject to discussion and amendment. That is why we gave ourselves several weeks during which the Minister of Justice and his colleagues will attempt to improve the draft.

As for linguistic duality, I think it is clearly recognized in that statement of principles and I would very much like to have the support of the hon. member for Joliette in that regard.

INQUIRY WHETHER PEPIN-ROBARTS RECOMMENDATIONS WILL BE TAKEN SERIOUSLY

Hon. Roch La Salle (Joliette): Since Mr. Ryan also admits that he has drawn inspiration from the Pepin-Robarts report, I do not understand how the Minister of Transport can remain silent, considering the apathy shown by the Prime Minister. However, taking the report into account the Liberal party leader has stated that he could not follow the Prime Minister of Canada since he wanted to base his constitutional reform solely on one peoples. Would the Prime Minister tell us today whether he intends to take seriously the recommendations of the Pepin-Robarts report, the comments made by the leader of the Liberal party of Quebec, the former president of the No committee, and refrain from making Canadians believe that he has a mandate following the results of the referendum on the matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member refers to the Pepin-Robarts report. The analytical and historic parts of the report indicate quite well, I think, the concept of duality in Canada. We have tried to recognize that concept in the statement of principles to which the hon. member refers. We have spoken of the meeting of the French and English fact in Canada. We have also spoken about the linguistic duality. As for the term "people", unless I am mistaken, the Pepin-Robarts report nor any other rejects the concept of people. We must use a term to describe the inhabitants of Canada. Would the hon. member rather speak of the Canadian nation? Or would the concept of people be more acceptable? He should indicate a term to say that a population is living and wants to continue to live in this country. This is, as I said, what was decided by a majority in the Quebec referendum. The referendum did not deal with one term or another, but surely it indicated the will of Quebeckers to be part of a living whole in Canada and that normally there would be no objection to refer to them as a people.

* * *

● (1200)

[*English*]

EMPLOYMENT

REASON FOR LOSS OF JOBS IN CANADIAN ECONOMY

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. In the recent labour force survey there was a notification that 68,000 jobs had been lost from the Canadian economy in the last month.

Can the minister tell the House from what sectors those jobs were lost, manufacturing or resource industries, what kinds of occupations, and what regions of the country were most affected by the job loss?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would say to the hon. member that if he had read the second page of the statistical survey, he would have found the answer there. What they did point out was the jobs were lost primarily in the goods producing service industries, and were primarily in the province of Ontario. That is on page 3 or 4 of the labour force survey that was issued two days ago.

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POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—LENGTH OF QUESTIONS AND ANSWERS DURING QUESTION PERIOD

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I hesitate to rise on a point of order, but I feel I must in view of what occurred just a few moments ago in the question period when the hon. member for Kitchener (Mr. Lang) directed a question to the Secretary of State (Mr. Fox). The hon. member can deny it if he wishes, and if he does I will have to accept what he says, but that was obviously a planted question.

Some hon. Members: Oh, oh!

Point of Order—Mr. W. Baker

Mr. Baker (Nepean-Carleton): Subject to his denial, I say that was a planted question. The minister had his music with him for the answer. That was bad enough, but, Madam Speaker, you have admonished the opposition, and we accept the admonishment because it is correct, for abusing the question period by giving long preambles to questions and motions under Standing Order 43. We accept that because the proper way for the question period to be handled is with as much crispness as possible.

It is important, if this question period is to mean anything, that answers not carry on the way the answer of the Secretary of State did. It went on long before there was any disruption or calls for order from this side of the House. When it goes on so long that it is not even a neighbour to crispness in its characterization, the Chair must intervene. Otherwise, question period will slowly and irrevocably deteriorate to a point beyond which it has already deteriorated.

We are prepared to accept your views or rulings, Madam Speaker, with respect to crispness in our questions, but when the Secretary of State went on and on and on in his answer beyond what could be considered a normal length for an answer, an answer that was abusive, political and all the rest of it as well as being too long, then we have to rise. Our only defence to that kind of process before an intervention by the Chair is to shout "Order", just as the defence to too long a preamble to a question or Standing Order 43 motion is to shout "Order" from the government side.

Madam Speaker, you need some assistance from the House with respect to this matter. I say to you now, as the House leader of the opposition, that we are prepared to do our best to assist you by undertaking that we will keep our preambles short. However, there is a *quid pro quo* in this House of Commons. We need some kind of assurance from the Chair, the government House leader and certainly from ministers of the Crown, who are supposed to be knowledgeable about the rules of this House and should not abuse them, that they in turn will help improve the quality of the question period.

If the Chair needs assistance, I want to say it will have that assistance from the opposition. It is important that some kind of undertaking come from the government House leader so that the spontaneity of the question period will not be lost. I say that with great seriousness. It is important that you intervene, Madam Speaker, and when you do you will have support for that intervention from this side of the House with respect to those matters for which we are normally responsible, namely the asking of questions.

I felt I had to rise and say that to you, Madam Speaker. If the hon. member for Kitchener tells me that his question was spontaneous, that he had not in fact consulted with respect to the question, naturally I will accept that. However, even if that is so, the answer was far too long. In fact, Madam Speaker, if you review the question, you will see that it could have been answered—

Some hon. Members: Order.

Mr. Baker (Nepean-Carleton): It could have been answered—

Some hon. Members: Order.

Madam Speaker: Order, please.

Mr. Baker (Nepean-Carleton): That question could have been answered by a simple yes or no, with a short explanation. I think there has been an abuse today. The practice has to stop.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am a little surprised by the intervention of the opposition House leader. All the more so because if the Secretary of State (Mr. Fox) did take some time to answer—and I shall come back to the nature of the answer he has given to the hon. member for Kitchener (Mr. Lang)—it is because he was constantly being interrupted not by the shouts of the opposition but by the screams of some members opposite. I could see the hon. member for Calgary Centre (Mr. Andre) who was behaving like a madman, Madam Speaker, and who was screaming to prevent the Secretary of State from giving a coherent answer. I find this not only childish but very disrespectful of this institution. That is the sad and poor image we project because of the irresponsible attitude of the hon. member for Calgary Centre with his uncontrolled screams.

I was present, I watched him. I see that the hon. member is here and I will tell him to his face: his attitude has been irresponsible and degrading to this institution and I find that deplorable. Madam Speaker, I could single out several other members but I do not sit in the House to supply the gossip column of the hon. member for Leeds-Grenville (Mr. Cossitt) who is absent. Be that as it may, I feel that basically the official opposition House leader is right to look forward to an oral question period which as a whole would unfold in a more orderly fashion, but I would not like him to put the blame on government members only.

It happens very frequently that members from his side ask questions with very long preambles and very long argument. It also happens that they get from this side some rather short answers. I admit also that occasionally members of the government give some rather long answers, but the questions are so long that it is sometimes inviting to give a complete answer and use more time for that purpose.

I come to the point he raised, namely the question put by the hon. member for Kitchener. The House leader of the official opposition seems to suggest that it is not customary—and I do not know if there was indeed prior consultation between the hon. member and the Secretary of State—to give a minister notice of a question. On the contrary, that happens quite regularly and should be done more often, and even opposition members do it.

Often, when a question is rather complicated, opposition members think, very appropriately, of giving notice of the question so as to get a full and detailed answer, because there are still some members in this House, Madam Speaker, who really want complete information and answers instead of trying to score political points and create an impression. And I cannot accept nor understand the remark made by my hon. colleague to the effect that it is most unusual that a member, from either side of the House, should give a minister prior notice of a question he intends to ask.

On the contrary, I think that this shows intelligence and respect not only for this institution, but also for the minister. I am not saying that this should be done in every case. This is not what I am suggesting. What I do suggest, however, is that it is not normal to complain, that this happens occasionally, regardless of what actually occurred in this instance, which I do not know.

The point which I want to emphasize, Madam Speaker, is that nothing whatever ought to be considered out of order with respect to the attitude evidenced by the hon. member for Kitchener when he addressed his question to the minister. Moreover, there was nothing irregular as far as the answer provided by the Secretary of State is concerned. The only irregularity arose from the fact that because of the obstinate and continued catcalls at that very moment, it was just about impossible for a minister to provide a normal reply which could at least be heard, and that is what I find unacceptable.

If anything is to be retained from the contribution made by the House leader of the official opposition, it should be that those who are asked questions should at least be given a chance to reply and be heard. I was sitting next to the Secretary of State and I could hardly hear him because of the catcalls from the other side. In particular, the hon. member for Calgary Centre, was stridently objecting to the length of the reply given by the Secretary of State.

To conclude, Madam Speaker, on the matter of principle, and regardless of what happened today, I agree with the House leader of the official opposition that opposition members should make their questions much shorter. I also agree that, on this side of the House, unless the subject is really tricky or calls for more explanations, we should try, as you yourself have suggested on a few occasions since the beginning of this session, to give replies which are shorter or more *ad rem,* to use a legal expression. However, I would not want to see a most legitimate complaint used as an opportunity to criticize the attitude evidenced this morning either by the hon. member for Kitchener or by the Secretary of State, who made outstanding efforts in order to be heard amidst the noise and shouts coming from the Progressive Conservative benches.

Point of Order—Mr. W. Baker

• (1210)

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, it is not my intention to add to the length of the discussion about the question and answer which have been alluded to. However, I should like to say that underlying the discussion we are now having is to be found the basic cause of the difficulty now affecting our question period. I feel my colleagues are right in expecting that members of our party should get in four or five questions a day. Most days, we get only three. It is not your fault, Madam Speaker. Your arithmetic is dead on; we get the right proportion. The reason we do not get the four or five we think we should get is that not very many questions are asked during the question period, and this is because the preambles to many of the questions are too long and the answers are far too long. It is not only the case of the reply given by the Secretary of State (Mr. Fox) this morning. I think Your Honour will find, if you check *Hansard* tomorrow, that the Secretary of State spent more time while he was on his feet telling us what the Tories had not done than in answering the question about what were the Liberals going to do. I do not think that is a correct use of the time.

We had no objection in our corner of the House, Madam Speaker, when you remonstrated with one of our members a few days ago on the ground that the preamble to his question was too long. I join with the hon. member for Nepean-Carleton (Mr. Baker) in saying that you have our support if you try to cut down the length of preambles and the length of answers so that more members not only in our party but in all parties can get a chance to ask their questions in the question period.

Mr. Harvie Andre (Calgary Centre): In view of the fact that the government House leader has brought my name into the discussion, Madam Speaker, I should like to make one or two observations. First, I observe that the Secretary of State (Mr. Fox), who triggered this discussion has not had the courtesy to stay here and listen to it.

The government House leader directed his criticisms at me. He is correct in saying members should not shout. My comment is that I was emulating his colleagues, including the Postmaster General (Mr. Ouellet) and innumerable other members of the government party, who frequently and consistently since this session started have resorted to shouting "Order" across the chamber whenever they are dissatisfied with the nature of a question, apparently with some success.

Today there was a clear abuse. Obviously, the Secretary of State had made some adjustment in the programs respecting student loans and, quite obviously, he wanted to make those public. So he had his backbencher from Kitchener (Mr. Lang) put the question and this gave him the opportunity to make a speech in the House in the guise of answering the question, outlining the things he had done which, in his view, were so much superior to what had been done by this party. The answer given by the Secretary of State today should most properly have been made either by press release or by way of a

statement on motions if it were necessary for it to be given in the House.

If there is to be this kind of abuse from that minister, of all people, and if we are to continue to hear "Order" shouted at us from the other side when we seek information in questions, it is understandable and natural that there should be reciprocation in kind. I hope it does not deteriorate to that. I underline the point made by my House leader, the hon. member for Nepean-Carleton (Mr. Baker), and by the House leader for the New Democratic Party that it is far better both for the House, and for the country which watches our debates, if we shorten our questions and our answers. But I have to say that, given the nature of this chamber where we face each other two sword-lengths apart, if members over there shout "Order" at us we will respond in kind; we will shout "Order" back. If they refuse to answer questions or if they abuse the question period, you can expect that we will respond in kind. That would be only natural and if we were to do anything else we would be failing in our responsibility as an opposition to keep the government in check.

Mr. Peter Lang (Kitchener): Madam Speaker, I would point out to the House leader for the official opposition that I am fully capable of making up my own questions. I do not accept his accusation of abusing the rules of this House. I will ask him to try them on to see whether they fit for him or for his party. I would also point out that it is not the hon. gentleman's position to judge whether a question is appropriate or not, or whether it is too long or not. That is for Madam Speaker to decide and I believe she is doing a fine job of carrying out that responsibility.

Some hon. Members: Hear, hear!

Mr. Lang: I should also like to reply to the accusation that I made a speech when asking this question. My question was three and a half lines long and contained 40 words. I would hardly regard that as a speech.

Mr. Baker (Nepean-Carleton): We did not say that. It was the minister who made a speech.

Mr. Crosbie: We know you cannot make a speech!

Mr. Lang: I think that is all I have to say on the subject. That is all it merits.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would not have risen in this debate had the hon. member for Calgary Centre (Mr. Andre) not mentioned my name. I want to tell him that the Secretary of State, who had to leave for an important engagement, would have liked to stay. He asked me to replace him in the House for this period of time because he had a very important appointment.

But what surprises me most, Madam Speaker, is that the hon. member for Calgary Centre who did get caught in the act, today behaved like a child who gets caught and fights back saying that it is not his fault, it is because others are doing the same thing that he is doing it himself. I do not find that attitude to be very serious or very parliamentary. It is obvious the hon. member for Calgary Centre abused what is called the minimum decorum to be kept in this House. If unfortunately, on certain occasions, other members do the same thing, that does not justify at all the behaviour of the hon. member for Calgary Centre today.

• (1220)

[*English*]

Hon. John C. Crosbie (St. John's West): Madam Speaker, I do not intend to make a lengthy contribution to this discussion unless I am goaded. We all realize that government back-benchers have the right to ask questions and that the Speaker controls that so that it is not too often and does not interfere too much with the opposition's primary responsibility in the question period. We also realize that government members presumably usually check with the minister so that the minister knows he is going to be asked a question on a certain subject and will not appear like a dumb-dumb or a dingbat when he is asked a question by somebody on his own side. The hon. member for Kitchener (Mr. Lang) did not deny the proposition that he had informed the minister that he was going to ask that particular question.

Mr. Corbin: You guys do it all the time.

Mr. Crosbie: There is nothing wrong with that. I am not saying there is anything wrong about that, but the minister then abused the question period by trying to make a five or six minute speech in reply to a tame, pussycat question from his own member. That is an abuse of the question period.

Mr. Lang: On a point of order, Madam Speaker—

Mr. Crosbie: I am already up on a point of order.

Madam Speaker: Order, please. I have already heard the hon. member for Kitchener (Mr. Lang). I know what his arguments are, and I think at this point I would like to cut off the discussion and make a few remarks for the benefit of the House.

Hon. members realize, of course, that whether questions are planted or not is not for me to judge. My view is that all questions are legitimate unless they require very lengthy statistics. In that case I would say they should be put on the order paper. In my view, all questions are legitimate whether they come from one side of the House or the other. I will make a passing remark about the question of the hon. member for Kitchener: it was short.

I think the answer was the matter which was put mostly into question by some hon. members. Some answers might be longer than others, and it is not for me to judge whether a question is properly answered with a "yes" or a "no".

In the particular case this morning I was trying to listen to the answer the minister was giving to the question of the hon.

member for Kitchener. At one point I could not even understand whether he was answering the question or going into debate. I could see that hon. members to my left were quite disturbed about what was going on, but I really could not follow the answer, so I called the House to order because I felt that the Chair had to know what was going on. The minister proceeded with answering the question. I called the minister to order also when I was able to realize that he himself was going into debate. Then I felt he should be allowed to proceed to the end of his answer, but even at the end I had to ask him whether he had really finished answering the question; I could not hear because of the noise in the House.

These things happen. I know hon. members like to protest when they feel that their privileges are being encroached upon, and I listened carefully to what I could hear. I do not really think that today we went beyond what is acceptable. The hon. minister jibed hon. members on the other side of the House, but this happens both ways, when questions are asked and when answers are given, and I allow a certain amount of that, politics being what it is.

I accept the remarks of the hon. member for Nepean-Carleton (Mr. Baker), and I am happy that I will have the co-operation of hon. members on his side of the House as to preambles. I will try to check that answers from the other side are not too long and are not used in a way which is improper in question period.

I apply instant justice here. When looking into the record I might find that instant justice might have been applied in different ways at different times; but it is instant justice, and if after looking into the record I feel that I have been perhaps a little too lenient on one side or the other, I try to check that the next day. That is the only thing I can do.

I welcome the feelings which have been expressed by hon. members about the question period. I would like to recognize many more members, and I am happy that I will have co-operation with regard to preambles. I will try to look after the answers. I would even like to suggest in some cases, especially toward the end of the question period, that perhaps there not be supplementaries because supplementaries are not always supplementary. Hon. members will agree with me on that. Perhaps toward the end of the question period I could use my prerogative. It is my prerogative, but I try to go along with custom because I respect custom. I think custom is very important and sometimes more important than rules.

However, if hon. members agree, toward the end of the question period I might not allow as many supplementaries as I have in the past, in order to allow more members to ask questions.

I accept the remarks of the hon. member for Nepean-Carleton and those of all the other members as well.

PRIVILEGE

MR. SARGEANT—NATO PARLIAMENTARY ASSOCIATION SESSION—REQUEST FOR WITHDRAWAL OF S.O. 43 MOTION BY HON. MEMBER FOR WINNIPEG-ASSINIBOINE

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise on a question of privilege arising out of a motion moved under Standing Order 43 by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). In his motion the hon. member called for my condemnation and my removal from the NATO Parliamentary Association because he does not like the way I voted on a resolution brought forward at a plenary session in Luxembourg last Saturday.

I might point out that the hon. member misled the House a bit in saying that this motion referred only to the Afghanistan situation. It referred to many other situations besides the Afghanistan situation. I might also point out that the entire Canadian delegation felt that the resolution should have referred only to Afghanistan and left out the pot-pourri of other things that it contained. It it had done so, I could easily have supported it.

I do not really feel it is necessary that I explain my vote, but in this case I will very briefly. Because I strongly supported the Afghanistan clause in the resolution, I could not vote against it. However, because I am morally opposed to clauses in the resolution which effectively call for an escalation of the arms race, I could not vote in favour, so I abstained.

Furthermore, it is my understanding that Canada is still a democratic country; it is my understanding that all 15 member states of the North Atlantic Assembly are democratic countries; and it is my understanding that in a democratic country freedom of expression, whether by voice or by vote, is a basic right. Although I personally disagreed with the way some of my colleagues voted in Luxembourg, I recognize and respect their right to vote as they please, and I do not ask for their condemnation.

If I were to follow in the same vein as the hon. member for Winnipeg-Assiniboine, I would ask that he be censured because he seems to have no respect for or belief in the tenets of democracy. However, I respect his right to freedom of speech, so I will ask, respectfully, only that he withdraw his motion.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, any member is entitled to move whatever motion he feels fit to move in this House. Your Honour accepted my motion and asked for unanimous consent, which request was turned down.

The hon. member for Selkirk-Interlake (Mr. Sargeant) has highlighted the deep divisions within the NDP over NATO and NORAD and over the buying of the new fighter aircraft. The hon. member for Selkirk-Interlake mentioned the arms build-up motion which he could not support. Clause 5 of the

motion says "to pursue arms control negotiations". It does not call for an arms build-up alone. It also calls for arms control negotiations, and I feel very strongly about Canadian members of Parliament and senators going to NATO and NORAD and voting against NATO and NORAD. They do not want us in NATO and NORAD. They have made that point very clearly over the years.

The hon. member talks about the democratic process. I can express my opinion, and I express my strongly held opinion, one which has been expressed by many Canadians, that with regard to NATO and NORAD the New Democratic Party has a lack of concern about the defence of Canada at a time when there is an arms build-up and invasions. Since Russia is invading Afghanistan, this is not a time to be pulling out of NATO or NORAD or to abstain from voting when we go to Brussels or Luxembourg NATO meetings. There is nothing in the resolution which would say that the hon. member should not vote, because it covers both conditions, arms control and arms build-up, and my motion was accepted. I question whether the hon. member has the right to a question of privilege.

• (1230)

Madam Speaker: We have here a difference of opinion between two members regarding deliberations which took place in a body other than this Parliament. The motion proposed by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) might have been on the border of not being quite in order, but these motions come in so rapidly and they are spontaneous, so perhaps under scrutiny—I do not recall the exact terms of the motion—it might be found to be out of order. I am making those reservations with all the risks that that entails. Therefore, the remarks which the hon. member for Selkirk-Interlake (Mr. Sargeant) made would have been out of order also, but because I cannot judge instantly and without a closer examination of the motion whether the motion under Standing Order 43 put forward by the hon. member for Winnipeg-Assiniboine is really in order, I have to accept the remarks made by the hon. member for Selkirk-Interlake.

However, this is basically a difference of opinion between the two hon. members, and therefore it is not a matter of privilege.

MR. MILLER—NOTICE OF QUESTION TO BE RAISED

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, last night I indicated I might be rising on a question of privilege today and I sent you written notice of it. However, the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) is not here today, so with your permission I would like to request that I be permitted to raise this matter when both the hon. member and myself are in the House.

POINT OF ORDER

MR. PAPROSKI—LOTTERIES AGREEMENT WITH PROVINCES—ANSWER OF PRIME MINISTER DURING QUESTION PERIOD

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I rise on the point of order which was raised yesterday by the hon. member for Edmonton North (Mr. Paproski). In reply to his point of order I stated yesterday that I would convey his representations to the right hon. Prime Minister (Mr. Trudeau). I would like to make a very short statement for the record so as to straighten out the facts.

On October 5, 1978, the federal government and all of the provinces, with the exception of Nova Scotia, signed a memorandum of understanding whereby, *inter alia,* the federal government would restrict its lottery market products to a retail price of $10 and up, and the provinces would limit themselves to products retailed at $9 and below. That memorandum was signed by Iona Campagnolo on behalf of the federal government and by Reuben Baetz on behalf of the provinces.

So the hon. member for Edmonton North who was questioning an answer given by the Prime Minister in this House and saying that no agreement was signed will note that the facts which I have just stated indicate that the Prime Minister was right. I wanted that to be on the record today.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cullen.

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

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[*English*]

AGRICULTURE

DROUGHT—STATEMENT ON GOVERNMENT ASSISTANCE TO FARMERS

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am pleased to be able to provide the House today with details of the government's assistance programs for farmers who have been hard hit by drought conditions in western Canada. My colleague, the minister in charge of the Wheat Board, was supposed to be making a statement at the same time in western Canada. He has probably already made it by now as we in the House were delayed by this long point of

order which took so much time. Of course, the House is as unpredictable as the weather for the farmers.

The current dry conditions do indeed constitute a serious situation for some producers, and the government well recognizes that fact. We recognize that the producers most affected by the combined effects of a dry fall last year, a winter with little snowfall and this dry, hot spring, are the livestock producers of Manitoba and Saskatchewan. Our programs address immediate problems being encountered by this group. The main problems are a lack of feed for the livestock, such as reserves of hay in the two provinces, an almost complete lack of pasture growth for grazing livestock in some areas, and some problems with water supplies.

I believe that these programs, which will be cost-shared on a 50-50 basis with the provinces of Manitoba and Saskatchewan, will solve some of these problems. The federal government's share will be $7 million.

Let me detail the programs, Madam Speaker. First of all, a cost-sharing program with the provinces of Manitoba and Saskatchewan for feed assistance and livestock transport has been instituted. In most cases, feed will be transported to dry areas to maintain livestock. In other cases, it might be more appropriate to move livestock from these dry areas to other regions in which feed and forage is available in ample quantity. The program recognizes both of these aspects of assistance.

While the program as a whole will concentrate on these transportation and feed assistance concerns, some money will also be directed to the development of water supplies where emergency conditions have developed.

The transportation and feed assistance programs are centred in Manitoba and Saskatchewan, but part of the over-all program provides for the allocation of $1 million for similar activities in northwestern Ontario and the interior of British Columbia. Drought is also affecting these areas. Also, there will be $1 million for similar programs for the native people on Indian reserves.

Let me say that these measures have developed through the combined efforts of both federal and provincial officials. The federal task force on drought, which I ordered to be formed during the dry conditions in 1977, was instrumental in presenting me with specific recommendations on how best to handle current drought conditions. We activated this group and asked the provincial governments to participate in early May.

While livestock producers are suffering the most, cereal producers are also waiting for rain. But with some exceptions in some areas of the prairies, the cereal group could still provide reasonable yields with rain in the next short while.

So far as cereal producers are concerned, there exists already government mechanisms to assure them of their livelihood should the summer continue hot and dry. They are protected under our crop insurance plan or under the terms of the Western Grain Stabilization Act. About 80,000 farmers have purchased $1.5 billion in crop insurance protection this year. The federal government shares equally the $146 million in premium costs with participating producers. It is a 50-50 cost-sharing program and the provinces administer these programs. The stabilization act also provides income protection should poor crop yields result in reduced cash flow. About 124,000 grain producers are enrolled in that program.

Let me say that the government views the measures I have just detailed as being short-term in effect. No one can provide the rain that is really needed. But federal and provincial officials are continuing carefully to monitor the entire moisture situation in western Canada, and they will be making recommendations to us as the summer progresses. We do not consider the program I have just announced as being the total program. If conditions were to change, we will have to reconsider it, and that is what I mean by saying that we will be watching the situation carefully so as to assess the needs of these people. That is as briefly as I can put it.

I want to acknowledge also the co-operation of my colleagues, the Minister of Indian Affairs and Northern Development (Mr. Munro), the Minister of Regional Economic Expansion (Mr. De Bané), the Minister of Finance (Mr. MacEachen), and other colleagues in the cabinet, as well as the co-operation we had from the provincial governments concerned.

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to reply briefly to the minister's statement this morning. I think it would be safe to say that we on this side of the House would view the scope of the minister's statement as being too narrow in its parameters. The statement itself is not detailed enough. We hope that during the question period which will follow we will be able to receive from the minister more details of this matter.

The minister has dealt with two very important issues: one is feed assistance and the other is livestock transportation. But there are many other areas which are of grave concern in western Canada; for example, the problems of small communities which have already faced water rationing, a subject which has not been addressed by the minister at all.

There is one other point I should like to make at this time. In terms of the situation in the prairies, the minister is correct in the case of Manitoba and Saskatchewan. The situation is extremely serious in those two provinces. Coming from the province of Manitoba, I suppose I can speak with some authority. They are probably experiencing the worst crop year since the depression. The hay crop is just non-existent.

● (1240)

I suppose we would have to call into question whether or not $14 million will be enough. The minister indicated that there may be more money coming. It is something we will pursue with him when we get into a question and answer session. The germination of the seed is very, very poor in Manitoba, and unfortunately there is no relief in sight.

Last night I mentioned in the Standing Committee on Agriculture that at the present time farmers are starting to plough up the crops and to apply for crop insurance. For example, the temperature on Wednesday was plus 36 degrees

Celsius, with winds gusting to 50 miles per hour and the humidity around 20 per cent. That is not the kind of weather in which one could expect to grow crops.

The Alberta situation has changed rather dramatically over the past few weeks in terms of the grain crop, but in terms of the hay crop it is still very serious. The minister's statement does not really address the Alberta situation regarding hay. Rain early in the spring is required to produce a hay crop. I have talked with my colleagues in the House of Commons from Alberta and with farmers in that province. They have indicated that they will be faced with some real problems in terms of adequate hay to winter their cattle this coming year. The majority of cattle are produced in that province, so the minister may want to take another look at the situation pertaining to hay.

We on this side of the House criticized the government for its lack of urgency. That was documented on May 30 in the motion of the hon. member for Medicine Hat (Mr. Hargrave). Up to this point when the minister has finally made his statement, I think our feelings can be characterized by restating the motion of that day. It read as follows:

That this House deeply regrets the government's lack of response in the House of Commons to concern about the disastrous western agricultural drought and the related forest fire emergency and calls on the government to abandon its secretive approach and consult with MPs of all parties in an open and forthright manner.

Since that time we have had a number of discussions in the agriculture committee on this question. Now the minister has come forward with a statement, but certainly it is not too soon. At the present time some cattle are being sold in western Canada. There is grave concern among some small prairie towns about the fact that they may not have enough water to last through the summer if they do not receive any more rain than they have up to the present time.

I should like to make some suggestions which the minister might take under advisement. First, we should ensure that a backhaul of hay is installed from eastern to western Canada in terms of the cattle trucks and rail vehicles being used. In other words, if cattle are being brought from western to eastern Canada there should be a backhaul of hay. The tractor-trailers and trucks should be full of hay when they are heading back to the prairies. The government should ensure this happens, and I hope the suggestion is taken under advisement.

The next point I should like to mention was not touched upon in the minister's statement. I am referring to the fact that perhaps this is the first time since the feed grain policy was instituted that the policy may work in reverse to the intended method for which it was brought in. It was to supply the domestic market first, that domestic market being eastern Canada, Quebec, the maritimes and parts of British Columbia. This year that domestic market will be in western Canada. It is incumbent upon the government to ensure the Canadian Wheat Board has enough stock of barley on hand in the prairies. I know in southern Manitoba that that is not the case. One can talk to a number of elevator companies in southern Manitoba to find out that the stocks of barley just are not there. The track record of the Canadian Wheat Board respecting the availability of supplies of barley must be a very, very top priority. The question of pelletizing grain screenings, especially at Thunder Bay and also Vancouver, to be brought back to the prairies should be looked into. This is a perfect source of cattle feed.

The minister should also consider the drilling of deep wells for water. Dug-outs certainly have been the primary source of water supply in western Canada, but they are almost empty. Unless water is trucked in, which of course is very expensive, the drilling of deep wells should be looked at very, very soon. Also the minister should look at the possible use of federal-provincial wildlife preserves for grazing cattle.

As I mentioned, the statement of the minister is welcome. In my opinion it is a bit too narrow in its scope, there is not enough detail as to what the government intends to do, but nevertheless it is better than nothing and will give farmers some assurance that the governments in effect are working together. Perhaps that is the most important point, that the governments are working together to try to solve this problem.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I welcome the statement of the Minister of Agriculture (Mr. Whelan). We expected this statement a little over a week ago, but I am pleased to see that it has finally come. I am not totally pleased with the contents of the message, but at least we see some action is beginning to take form.

I view the drought situation which is occurring as something that will require complete rethinking on the part of the Department of Agriculture. In a sense, we are no longer dealing with farms that we are trying to keep profitable. Profitable farming is not an alternative under conditions such as we are now faced with. We are forced to go back to a situation of simple survival. Less rain has fallen on the eastern part of Saskatchewan, approximately two-thirds or three-quarters of Saskatchewan, all of Manitoba and northwestern Ontario, than has ever been the case in the 80-some years that recorded meteorological data has been available. It is not just the worst drought since the thirties; it is the worst drought which has existed in that very large part of western Canada since man started keeping records. It is an emergency situation. There have been three months without any moisture in some areas. In a great many areas there has been about two-tenths to three-tenths of an inch spread over the area in the form of slight precipitation.

Under those conditions we are wise to give top priority to water supplies. Man must survive this drought first. There must be water supplies to the towns and villages and also the farms. We must ensure that the program of 1977, where all small water sources were pumped dry and piped into larger dug-outs so that there would be some storage to get us through the winter, is put in place, especially as we approach winter.

● (1250)

I think that this feed movement program recognizes the needs of dairy producers. Provincial programs in conjunction with the federal drought task force have properly given top

priority to the movement of forage to dairymen. It is fortunate that dairymen will have a cost of production formula based on costs. In Saskatchewan at least, the cost of production formula has yielded an increase of 1.5 cents per litre to help offset the extra expense of buying and importing hay. At least three or four truckloads of hay go back into Saskatchewan on wheat pool trucks that have hauled cattle east.

However, having said that, Mr. Speaker, it should be pointed out that the announcement has no provision for guarantees on feed grain supplies being held within our area. This is in part due to the implementation of an open market feed grain policy a number of years ago. We were told then that the open market would supply all domestic needs and the Wheat Board was instructed to concentrate on the export market for feed grains. They have been trying to do this but now there is a conflict of interest between the livestock producers of western Canada and the grain marketing institutions.

It is good business for the open market to get as much feed grain as it can in order to put upward pressure on the domestic price. When supplies are available, buyers are not so likely to bid the price up so the domestic market has been attempting to drain the area. Because the Wheat Board has not been given the jurisdiction to supply the domestic market first, it is intent upon selling as much feed grain into the world market as it can. Livestock producers may be at a disadvantage because of that inappropriate policy which was decided on some years ago.

As yet no announcement has been made about increasing the initial price of feed grains so that farmers who produce both grain and livestock will not be encouraged to sell before the end of the crop year, July 31, in order to take advantage of the higher prices for this crop year. The same argument applies to holding seed on farms. There would be less incentive to put it on the market before the end of July if an announcement were made soon that initial prices will remain at the same level for the next crop year.

The announcement makes no mention of the sense of urgency that exists regarding the market price of cattle. Cattle prices in the west are more depressed than in other parts of the country because of the emergency situation there. Stabilization pay-outs are available for some products but they are not normally available for cattle. If a normal stabilization program were to be put into place for cattle, it would not apply to those producers experiencing losses of 40 cents or 50 cents per pound through being unable to pick their marketing time.

Urgent consideration should be given to these needs and I hope the government will hold a watching brief on the situation and act accordingly.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I should like to ask the minister a couple of brief questions. Regarding the supplies of feed grain maintained on the prairies, in my constituency tons of feed barley would ordinarily be available to farmers at the Netherhill elevator. In the surrounding area there are three feed lots, one that uses 20,000 bushels per week, the other one using 5,000 bushels per week—

Mr. Deputy Speaker: Order please. The procedure is for members to ask questions at this point. Statements have been made and now hon. members are permitted questions. I should like the hon. member to put his question.

Mr. McKnight: I should like to ask the minister what provisions have been made through the Canadian Wheat Board to guarantee a supply of grain to farmers in western Canada at this time?

Mr. Whelan: Mr. Speaker, the minister in charge of the Wheat Board is having meetings in Winnipeg today with the Wheat Board and the Canadian Grain Commission. They have made a survey of the grains that are available but I do not know their findings yet. I hope we will be able to report early in the week.

We are told unofficially that there are adequate supplies on the prairies for domestic livestock emergency feeding programs. I do not think we can say at this time whether we are going to make offers to farmers or whether we are going to decide that none of it can be shipped out of the area without properly compensating grain producers. All these things have to be taken into consideration when the decision is made.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a couple of questions regarding the amount of assistance. It was suggested that there be a 50-50 division of the money, $7 million each. Out of that is to come $1 million for B.C. and Ontario and $1 million for Indian reserves, which leaves $5 million. It was my understanding that the Saskatchewan—

Mr. Deputy Speaker: Order please. Would the hon. member please put his question.

Mr. Hovdebo: Is there enough money to cover that sharing, because Saskatchewan has already paid out $15 million?

Mr. Whelan: Mr. Speaker, I understand this is an estimate made by Saskatchewan. As I said earlier, this is our proposal at this time. We will monitor it very closely and if necessary will go back to the treasury and scrape up some more money. If the rains come—and you can bet your bottom dollar, Mr. Speaker, as can everyone in the House, that I am praying that the rains do come—it is going to mean better crops and that we will spend less money.

The hon. member for Lisgar (Mr. Murta) made some representations about Alberta but the Alberta minister has stated that they do not have emergency conditions as such. Newspaper reports made it appear as if no aid would be given for transportation in Alberta. That is not the fact, Mr. Speaker; arrangements will be made with Alberta.

Mr. Murta: I should like to ask the minister how his department and the provincial governments arrived at what I expect will be an amount of $14 million. It is a 50-50 share, so each side is giving $7 million. Is the minister prepared to table

a breakdown of the costs in the House? He must have had some guidelines in order to arrive at the $14 million figure. Could he inform the House what they are and is he prepared to table the documents showing that, Mr. Speaker?

Mr. Whelan: Mr. Speaker, we have instructions to table the working documents and make them public. It was a joint operation between federal and provincial officials who made the estimates.

The hon. member made representations about wells. I would point out that they are included in the program to supply water to municipalities. It is not just restricted to the farming communities but takes in the whole community, wherever need exists.

The PFRA is one of the most capable bodies in the world. Its engineers have maps showing all the water available, sweet and sour, how deep the wells are, etc. This kind of program is also being worked out with the provinces.

Mr. Deputy Speaker: Order please. It being one o'clock I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, we were on statements by ministers, but I see that the Minister of Agriculture (Mr. Whelan) is not present.

An hon. Member: The parliamentary secretary is.

The Acting Speaker (Mr. Blaker): May I put before hon. members the suggestion that we consider other matters and revert to statements by ministers, if that appears to be appropriate?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy) is willing to answer questions in the absence of the Minister of Agriculture (Mr. Whelan), if that is appropriate to hon. members opposite.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if that is the wish of the House I certainly would not object. I would point out that the rules say that questions under this order can be addressed only to the minister who made the statement.

The Acting Speaker (Mr. Blaker): The Chair understands from the comments made that I may put the question to the House as to whether or not there is unanimous consent that the Parliamentary Secretary to the Minister of Agriculture will now handle the questions.

Mr. McKnight: I have two questions that I wanted to put to the minister. Because of the importance of his statement, I shall put them to the parliamentary secretary in the hope that he will seek further advice.

Did the minister or the department have any discussions with the Department of Finance as to an income averaging trust account regarding the sale of cattle at depressed prices because of the drought? I refer to an income averaging trust account similar to the one proposed by hon. members on this side, which would deal with the sale of cattle at depressed prices. Also, has the minister or the cabinet given any consideration to returning PFRA to its rightful place in the Department of Agriculture?

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it must be understood that the statement made this morning by the Minister of Agriculture (Mr. Whelan) followed a study conducted by a task force made up of Agriculture Canada officials and their counterparts from the western provinces. As far as the matter raised by the hon. member is concerned, that is if a study has been made of short or medium-term livestock sales, I am convinced that the officials of Agriculture Canada, jointly with their provincial counterparts, have looked fully into this problem. Now, would the hon. member be so kind as to repeat his other question, because I have forgotten what it was?

[*English*]

Mr. McKnight: Mr. Speaker, the question I asked was: due to the need to sell cattle now, although farmers really do not wish to sell because it will disrupt their income and they will be giving away portions of their sales to the tax department, has the minister considered setting up an income averaging trust so that the sales of those cattle would be taxed over an average period rather than in the year of the sale?

[*Translation*]

Mr. Ostiguy: Mr. Speaker, everyone knows that there is income stabilization insurance for the western provinces as well as for the rest of Canada, and that a great many western farmers benefited from the crop insurance plan to which the Department of Agriculture and the federal government contribute to a large extent. I think that the first thing that had to be done was to estimate the extent and value of drought related damages out west. As for the loss of livestock sales, I think that, if necessary, the agricultural stabilization board can look into the matter during this year.

• (1410)

[*English*]

Mr. Althouse: Mr. Speaker, I would like to pursue this area of questioning with the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy). I am concerned about the need to provide some averaging of income in situations such as the one we are now in where a farmer may be required to unload two or three years of livestock inventory all in one year,

and that does create some real tax problems with which the current act does not adequately deal. But I am more concerned with what I consider to be an even greater loss in that the farmers are selling these cattle into an extremely depressed market and in a great many cases into a market which is even more depressed on a regional basis.

I ask the minister, through the parliamentary secretary, whether his department is able to move rapidly to put the agricultural products board into a position to purchase feeder and breeding stock that is offered in the west for resale in other parts of Canada in an attempt to keep the price from collapsing totally, in the three prairie provinces in particular.

[*Translation*]

Mr. Ostiguy: Mr. Speaker, as I just said to the hon. member of the opposition, the Department of Agriculture's first concern was to establish the extent of drought related damages. Naturally—as I said a moment ago—the Department of Agriculture through the agricultural stabilization board, can always take action, but as we all know we must wait a full year because it is difficult to estimate immediately the value of losses in the sale of livestock. I think that the aim of the study initiated by senior officials of the Department of Agriculture, in co-operation with provincial departments, is to establish exactly how much damage the drought has caused out west.

[*English*]

Mr. Althouse: Mr. Speaker, I would like to point out to the parliamentary secretary that the losses incurred will occur in this year's market cycle, very specifically to a few producers in a short period of a year's total run of cattle. The legislation that he refers to, the stabilization act itself, will not provide any real assistance to those people who have been forced to sell at the extremely low price.

We started the year on feeder cattle at 90 cents. We are now in the 50 cents range, and it is only those people who have been forced to sell because of the drought who will be taking that 40 to 50 cents loss. A one or two cents payout at the end of the year will not do anything for them. The act does provide another option in that the agricultural products board can go in and start purchasing these distressed cattle in an attempt to hold up the market. That would provide more real stabilization to the people who are directly affected by this drought. I suggest that the minister and the department should be looking very carefully at immediately trying to put that program in place.

[*Translation*]

Mr. Ostiguy: Mr. Speaker, I do take note of the recommendations of the hon. member, and I will submit them to the minister and the Department of Agriculture.

[*English*]

Mr. Murta: Mr. Speaker, my question to the Parliamentary Secretary to the Minister of Agriculture is in reference to page 3 of the document which was read into *Hansard* by the Minister of Agriculture this morning. The minister said that "some money will also be directed to the development of water supplies where emergency conditions have developed". Could the parliamentary secretary indicate the amounts of money that have been allocated or set aside for this particular program? If he cannot, could he give some indication to the House as to how the government arrived at whatever figure he may present to the House?

[*Translation*]

Mr. Ostiguy: Mr. Speaker, once again, as the minister pointed out this morning, the program is worth some $7 million shared equally between the federal government and the provinces, and out of the $7 million of the Department of Agriculture, $1 million will go to help Indian reservations and another $1 million will be shared with ARDA.

I cannot say at this time whether funds were earmarked specifically for water supply, except that the $7 million I mentioned earlier is certainly going to help provide western producers affected by the drought with water, fodder or grain.

[*English*]

Mr. Murta: Mr. Speaker, this is my last intervention concerning this matter. I assume that the $14 million in total arrived at was based on the amount of money that could be provided by the federal government. In other words, if it provided $7 million, the provincial governments would provide approximately $3.5 million each.

If the drought that we have talked about this morning and for the last few minutes continues, I certainly hope that the government will realize that that amount of money is going to fall short of doing anything to stop the wholesale slaughter of cattle in western Canada, which will ultimately reflect a substantially higher price in terms of beef to the consumer in the coming year. It is imperative that the government, if it has not already done so, makes sure that there is more money set aside—through Treasury Board, I assume—so that the problem can be attacked in a much more meaningful way. I view this program as just the tip of the iceberg. I certainly hope that the government has more money involved for back-up in future.

[*Translation*]

Mr. Ostiguy: Mr. Speaker, I would like once again to say to hon. members opposite that the program announced this morning by the Minister of Agriculture was prepared, as I said, in close co-operation with the officials of the provinces of Saskatchewan and Manitoba and Agriculture Canada. So I think it is quite normal that for the time being we should work with the paper produced by those officials of the two provinces and the federal government.

[*English*]

The Acting Speaker (Mr. Blaker): Does the member for Prince Albert (Mr. Hovdebo) have a question?

Mr. Crosbie: He has already had a question.

Order Paper Questions

The Acting Speaker (Mr. Blaker): Order, please. The period allotted for questions on statements by ministers has been extended to a considerable degree. I hear someone indicating that the hon. member for Prince Albert may have already had a question.

Mr. Baker (Nepean-Carleton): He has had two questions.

The Acting Speaker (Mr. Blaker): In that case, I think we should move on to the next item of business.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM BERTHIER-MASKINONGÉ TO BERTHIER-MASKINONGÉ-LANAUDIÈRE

Mr. Antonio Yanakis (Berthier-Maskinongé) moved for leave to introduce Bill C-599, to change the name of the electoral district of Berthier-Maskinongé.

Some hon. Members: Explain.

Mr. Yanakis: Mr. Speaker, as a result of the new division of the electoral map which came into effect for the election of May 22, 1979, part of the Lanaudière territory, which includes the municipalities of Lanoraie, Lavaltrie, Ste. Mélanie, Saint-Ambroise-de-Kildare, St. Marcelline de Kildare, Saint-Alphonse-de-Rodriguez, Ste. Béatrix and St. Côme, was linked up to the constituency of Berthier-Maskinongé. In order to identify better this area, Mr. Speaker, I should like to ask the House to allow me to change the name of the Berthier-Maskinongé riding, which will be known from now on as the Berthier-Maskinongé-Lanaudière riding.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 153, 223, 271, 321, 582, 629, 641, 643, 751, 816, 822, 847 and 854.

[*Text*]

ARDA—LEEDS-GRENVILLE

Question No. 153—**Mr. Cossitt:**

What is a list of all grants made under the ARDA program since October 31, 1972 up to the time the program was phased out, to municipalities within the former constituency of Leeds and the present constituency of Leeds-Grenville and what was the total amount granted under the program?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The response for the Department of Regional Economic Expansion is as follows: the information requested is not readily available by federal electoral district or by municipality, the program being cost-shared with and implemented by the province of Ontario. However, departmental records provide the following details on ARDA assistance in the counties of Leeds and Grenville during the period from April 1, 1972, to March 31, 1979.

			$
1.	Capital Grants for Farm Development	Leeds	84,353
		Grenville	55,278
2.	Farm Enlargement Program	Leeds	1,114,255
		Grenville	553,150
3.	Industry Incentives		
	Leeds—Hall Orchards Ltd.	11,650	
	Burnbrae Farms Ltd.	100,000	
	Forfar Dairy	18,000	
	Plum Hollow Cheese	17,525	
			147,175
	Grenville—Jamaica Mfg. Co.	72,072	
	Kemptville Creameries	117,500	
	Satellite Truss	30,000	
			219,572
4.	Municipal Outlet Drainage Leeds and Grenville		325,000
5.	Provincial Parks—Murphy's Point Park—Leeds		418,974
			$2,917,757

(Figures are cost-shareable 50-50 between federal-provincial governments.)

JOB EXPERIENCE AND TRAINING PROGRAM

Question No. 223—**Mr. Herbert:**

By province, what has been the response to the Job Experience and Training (JET) program?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): The number of placements made under the program was 51,429 distributed by province as follows:

Newfoundland	1,494
Prince Edward Island	440
Nova Scotia	2,299
New Brunswick	2,030
Quebec	16,077
Ontario	16,913
Manitoba	1,527
Saskatchewan	1,656
Alberta-Northwest Territories	2,213
British Columbia-Yukon	6,780
Total	51,429

Agreements could be signed under the Job Experience and Training Program (JET) between September 15, 1978, and

May 31, 1979. Employers were allowed, however, to hire new employees to replace employees who left after May 31, 1979, provided that there were at least 15 weeks of employment remaining on the agreement.

DVA CHARLOTTETOWN RENOVATION COSTS

Question No. 271—**Mr. Herbert:**

Is a building presently being renovated in Charlottetown, P.E.I., for occupancy by the Department of Veterans Affairs and, if so, which building and what is the estimated cost of the renovation work?

Hon. Paul J. Cosgrove (Minister of Public Works): Yes, the Dominion Public Building is presently being renovated in Charlottetown, P.E.I. for interim occupancy by the Department of Veterans Affairs. The estimated cost of the renovation work is $150,000.

ARCHITECTURE—FEDERAL INTEREST

Question No. 321—**Mr. Herbert:**

1. Does the government recognize dance, opera, music, theatre, literature, the visual arts, film and photography as art forms of federal interest?

2. Does the government intend to make the crafts and architecture significant areas of federal concern?

3. Did the government of the province of Quebec make formal representations in the past three years with the objective of reducing or eliminating federal financial support for any of the art forms mentioned?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State and the Department of the Environment as follows: In so far as the Secretary of State is concerned:

1. The government does recognize those cultural disciplines mentioned as art forms of federal interest, as evidenced by the many programs of the federal government and its agencies dedicated to those forms of artistic expression.

2. The government is currently reviewing its role in the cultural life of the nation and will be examining, among many other aspects of artistic and cultural activity, architecture and crafts.

3. The government of the province of Quebec has not made formal representations to reduce or eliminate federal financial support for any of the arts forms mentioned in part 1 of the question.

However, a general statement concerning the recovery and control of all funds designated for arts may be found in the Quebec government cultural policy paper published in 1978: La politique québécoise du développement culturel vol. I., page 37 and seq. state: "On the basis of these points a final decision can be made. We must draw up and promote a cultural policy which will be "québécois". We must reappropriate the means that enable a culture to endure and to grow. Many of these means are for the moment in other hands, and left to other political authorities, and their repatriation is indispensable if we are to wipe out what we have labelled here the provincialization of our culture, retreat into our original folk culture.

What do we expect from the Quebec of tomorrow? That it will assume complete responsibility, and consequently provide the means, for ensuring that every citizen of Quebec has "bread and books", the basic material and cultural minimum."

In so far as the Department of the Environment is concerned:

1 and 3. See Secretary of State's reply.

2. Yes, in regard to architecture, Parks Canada Policy states that: "structures which embody the distinguishing characteristics of an architectural and engineering type exceptionally valuable for the study of a style or method of construction of its period or which are examples of the work of a master builder, designer, engineer or architect", and which are identified by the Historic Sites and Monuments Board of Canada and approved by the Minister of the Environment as being places of national significance, will be commemorated. (*Catalogue No. R62-109/1979)

AGRICULTURAL JOB PLACEMENT PROGRAM

Question No. 582—**Mr. Mitges:**

1. Does the Department of Employment and Immigration operate an Agricultural job placement program and, if so, how long has it been in effect?

2. How many employment centres are responsible for administering the program and where is each employment centre located?

3. For each employment centre located in Ontario, how many (a) applications for farm employment were received (b) Canadians were placed in farm employment (c) non-Canadians were placed in farm employment, for the fiscal year ended March 31 (i) 1978 (ii) 1979?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. Yes, the Canada Farm Labour Pool Program. It was established in 1974 and provides for the operation of employment service agencies which cater specifically to the needs of the agricultural sector, augmenting the services provided by Canada Employment Centres.

2. There are 63 Canada Farm Labour Pools across Canada, supplemented by seven branch offices and 30 seasonal sub-offices. They are located at the following points:

Main Offices	Branch Offices	Seasonal Sub-Offices
British Columbia		
Abbotsford		Chilliwack
		Cloverdale
		Richmond
Armstrong		
Duncan		Courtenay
Kelowna		Omaya
		Rutland
		Vernon
		Winfield
Penticton		Keremeos
		Oliver
		Osoyoos
		Summerland
Victoria		
Alberta		
Brooks		
Calgary		
Camrose		
Drumheller		
Edmonton		
Grande Prairie		
Lethbridge	Taber	
Red Deer		

Main Offices	Branch Offices	Seasonal Sub-Offices
Vegreville		
Wetaskiwin		
Saskatchewan		
Moose Jaw		Swift Current
North Battleford		
Prince Albert		Tisdale
Saskatoon		
Weyburn		
Yorkton		
Manitoba		
Brandon		
Dauphin		
Portage La Prairie		
Selkirk		
Steinbach		
Winkler		
Ontario		
Athens		
Aylmer		West Lorne
		St. Thomas
Belleville		
Cayuga		
Chatham		Blenheim
Chesterville		
Cobourg	Bowmanville	
	Brighton	
Delhi		
Leamington		
Port Perry		
St. Catharines		Niagara Falls
St. Eugene		
Stittsville		
Tillsonburg	Woodstock	
Walkerton	Elora	Clarksburg
	Owen Sound	
Quebec		
Cap-de-la-Madeleine		
Chicoutimi		
Joliette		
La Pocatière		
New-Richmond		
Nicolet		
Québec		
Rimouski		
Rouyn		
St. Eustache		Oka
		Ste-Anne-des-Plaines
		Ste-Monique
		St-Joseph-du-Lac
St. Hyacinthe		Frelighsburg
		Rougemont
		St-Hilaire
St-Rémi		St-Paul
Sherbrooke		Franklin
Ville St-Georges		
New Brunswick		
Grande Falls	Bathurst	Florenceville
Sussex		
Prince Edward Island		
Charlottetown		
O'Leary		Summerside
Nova Scotia		
Kentville		
Pictou		

3. The following data are reported by fiscal year.

	(a) Employment Applications (see note below)		(b) Placements (Canadian Residents)	
Location	1977-78	1978-79	1977-78	1978-79
Athens	268	285	219	236
Aylmer	3,707	2,123	1,980	1,973
Belleville	425	269	213	226
Cayuga	332	348	397	490
Chatham	5,286	5,146	6,541	6,153
Chesterville	159	145	116	131
Cobourg	1,989	2,024	1,643	1,824
Delhi	10,434	6,556	6,171	5,770
Leamington	5,102	5,292	3,549	5,138
Port Perry	490	377	554	632
St. Catharines	3,743	3,381	5,075	3,837
St. Eugene	394	348	211	388
Stittsville	411	465	383	515
Tillsonburg	4,874	4,728	2,779	3,630
Walkerton	1,541	1,592	1,051	996
Ontario	39,155	33,079	30,882	31,939

Note: The employment applications (worker registrations) reported for 1977-78 include "revivals"; that is, the number of times the files of previously registered workers were reactivated during the course of that year. This reporting procedure was discontinued in April 1978.

(c) Canada Farm Labour Pools have no responsibility for recruiting foreign workers. This service is provided through the commission's employment and immigration offices.

Based on the number of employment authorizations issued (1102's), some 6,299 foreign workers were placed in agricultural employment in Ontario during 1978, and 6,760 in 1979.* These totals include renewals of employment authorizations as well as transfers of workers to subsequent employers. Therefore, the actual number of foreign workers admitted to Canada for farm jobs in Ontario was somewhat lower.

* Foreign worker placements in agriculture are maintained on a calendar year basis.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—PUBLIC RELATIONS

Question No. 629—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Consumer and Corporate Affairs?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Thirty (17 officers, 13 support staff).

DEPARTMENT OF NATIONAL REVENUE—PUBLIC RELATIONS

Question No. 641—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of National Revenue?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue): Taxation, 27; Customs and Excise, 16.

PUBLIC WORKS CANADA—PUBLIC RELATIONS

Question No. 643—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Public Works?

Hon. Paul J. Cosgrove (Minister of Public Works): There are 23 persons engaged in internal communication public relations, publicity or media relations employed in Public Works Canada. Of these 14 are employed at headquarters and nine in the regions.

DVA—ADMINISTRATIVE AND POLICY CONSULTANT CONTRACTS

Question No. 751—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Veterans Affairs and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

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

(a) Thirty-four administrative contracts—Total Cost $255,-702.

(b) Eighteen policy consultant contracts—Total Cost $233,338.

See lists below.

Administrative Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Diane Quinton	1	$ 3,500
A.R.A. Consultants Ltd.	3	45,000
Potentia Consultants Ltd.	3	5,775
Communication Design Consultants	1	5,000
Dean Waugh Associates Ltd.	1	1,260
Jean Yves Lefebvre	1	2,000
Dr. D.P. Snidal	1	3,600
Dr. P.A. Galbraith	1	7,800
Dr. J.R. Tanner	1	2,400
Dr. J.I.M. Doyle	1	19,392
Dr. J.M. Kilgour	1	12,000
Manitoba X-Ray Clinic	3	22,000
Dr. J.J. MacDougall	1	7,800
Dr. R. Lannigan	1	3,600
Charles Deloache	3	16,875
Andrea Spry	1	5,600
David Ashby Enterprises Ltd.	1	9,600
C.H. Keppoch	1	2,000
W. Alexander	1	14,800
Kerry Management Services	1	24,600
Caird F. Wilson	1	14,000
P. Johnston	1	2,500
J. MacKenzie	1	2,000
J. MacKenzie	1	11,600
Dr. D.L.G. Howard	1	4,000
Dr. J.G.D. Letts	1	4,000
Total:		$252,702

Policy Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Richard L. Paul	1	$ 4,500
A.D. Atkins	2	18,500
Dr. G.G. Habib	1	3,500
Dr. L.F. Koyl	1	40,100
E.A.C. Amy & Sons	5	43,189
S.C. Tubb	1	20,000
Dr. R.D. Appleford	1	12,560
J.U. Doucet	1	11,500
A.W. Jarvis	1	25,000
Dr. T.M. Carey	1	1,000
F. Whalen	1	10,989
Audit Services Bureau	2	42,500
Total:		$233,338

MARIJUANA STUDIES

Question No. 816—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of the Environment?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): None.

Question No. 822—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Justice?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): None.

HAZARDOUS PRODUCTS

Question No. 847—**Mr. Howie:**

Since January 1, 1978, did the Department of Consumer and Corporate Affairs ban or recommend against the use of (a) clothing because of its flammability (b) medicine containers because of danger to small children?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): (a) Yes. Actions taken since January 1, 1978, were based on item 4 of part I of the schedule to the Hazardous Products Act which has been in place since 1971 to ban the advertising, sale and importation of clothing that does not meet flammability standards. Removals from sale at departmental direction during the period in question included 11,700 cotton sweatshirts, 29 chenille items (shirts, shorts, sweaters and pants), and 12 metres of cotton chenille fabric.

(b) No. Medicine containers are subject to regulation under the Food and Drugs Act administered by Health and Welfare Canada. As such, they are excluded from the purview of product safety legislation administered by Consumer and Corporate Affairs Canada.

Order Paper Questions

CFB BORDEN—FRANCHISES

Question No. 854—**Mr. Stewart:**

Do any companies or individuals hold concessions for franchises at CFB Borden and, if so (a) what are their names and what are the franchises (b) how much is the rent per year and how is it charged?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Yes. (a) and (b)

Name of Concessionaire	Type of Concession	Rental Charge Per Year
Dr. J. Walasek	Medical Office	$1,592.04
Mr. J.E. Bouchard	Alterations Shop	1,320.00
Mr. C. Spence	Barber Shop	2,956.56
Mr. E. Cairns	Dry Cleaning Depot	2,409.00
Mr. P. Symak	Barber Shop	1,683.00
Muriel's Taxi	Taxi Stand Service	992.56
Muriel's Taxi	Taxi Service in CFB Borden	600.00 plus $ 240 per taxi
Mr. Wm. Scrimgeour	Barber Shop	1,755.00
Mr. G. Newkirk	Beauty Salon	5,320.80
Reliable Taxi	Taxi Service in CFB Borden	600.00 plus $ 240 per taxi
Bank of Montreal	Bank	$13,520.04

The yearly charge is paid in equal monthly instalments and is based on the following factors:

Number of square feet of building space occupied by the concession.

Cost of similar civilian facility in the Borden area.

The Crown's charges to Base Borden for the provision of utilities to the concessionaire.

* * *

● (1420)

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 152 could be made an order for return, that return would be tabled immediately.

English]

The Acting Speaker (Mr. Blaker): The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 152 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

CANADA WORKS AND YOUNG CANADA WORKS GRANTS—LEEDS-GRENVILLE

Question No. 152—**Mr. Cossitt:**

What is a list of all grants made under the (a) Canada Works program (b) Young Canada Works program since its inception and up to the date that the Program was phased out for the former constituency of Leeds and the present constituency of Leeds-Grenville and what was the total amount granted under each program?

Return tabled.

[*English*]

The Acting Speaker (Mr. Blaker): Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, on a point of order, I should have spoken a few minutes ago when my colleague from Berthier-Maskinongé introduced his bill. As a point of information to members opposite, it is the intention of the government at four o'clock on June 27 to introduce and pass through all stages bills respecting changes to constituency names. We have given notice to that effect to the opposition whips. We would ask that those bills be submitted by members today or certainly Monday so that they can be printed and brought forward on June 27.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I want to confirm that that arrangement has indeed been made in the name of the whip. We have been alerted, and I thank the hon. member for again bringing that matter to our attention.

Mr. Knowles: Yes, Mr. Speaker, that is the understanding. I might modify it a bit and say that it will be the members who will bring forward the bills, not the government.

The Acting Speaker (Mr. Blaker): Pursuant to the comments made by the parliamentary secretary, the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre, is it agreed that certain private members' bills shall be put to the House on the date mentioned, June 27, for handling of all stages?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is so ordered.

GOVERNMENT ORDERS

[*Translation*]

INTERNATIONAL INCOME TAX CONVENTIONS ACT

MEASURE RESPECTING DOUBLE TAXATION

Hon. Pierre Bussières (Minister of State, Finance) moved that Bill S-2, to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romaniá and Canada and the Republic of Indonesia and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax be read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, you indicated the title of Bill S-2, proposing that legislation to confirm agreements between Canada and certain countries be read a second time. The aim, as has also been indicated, is to avoid double taxation with respect to income tax of subjects of countries that are parties to the conventions.

The bill also aims at ensuring that future amendments to the conventions or agreements can be implemented by orders in council, subject to a resolution of Parliament. This procedure, which is defined in part II of the bill, is in accordance with the procedure established by Parliament for the nine conventions already approved since the tax reform.

The 11 conventions are similar as to form as well as substance, and they are similar to those which have been agreed to in the past. Two of the conventions, those with Jamaica and the United Kingdom, will replace conventions signed before the tax reform. When all these conventions have been ratified, the number of Canadian tax conventions in effect will increase from 24 to 33.

I would now like, Mr. Speaker, to review briefly the major elements of these tax conventions. Generally speaking, dividends may be source taxed at a maximum rate of 15 per cent; exceptions are Malaysia, which does not tax dividends paid to non-residents, and Jamaica, which maintains its right to tax at a rate of 22.5 per cent, as stipulated in the 1971 agreement, when the dividends are paid to a Canadian firm which controls the Jamaican enterprise.

A general rate of 15 per cent—20 per cent in some cases with Liberia—is provided for in the case of interest paid to a non-resident. Certain types of interest, such as the interest paid to the Export Development Corporation, are exempted in the source country.

With respect to royalties, the treaties provide for a general rate of 10 per cent, except that those with Korea, Malaysia, Indonesia and Romania provide for a rate of 15 per cent.

Other matters are dealt with in these treaties. For instance, there are capital gains, non-discrimination, the case of teachers, the problem of pensions, and double taxation relief. With your permission, Mr. Speaker, I would like to say a few words on each of these matters.

Capital gains. The provisions dealing with capital gains in each one of the conventions follow the Canadian policy to ensure that the country where the gains were made keeps its taxation right in the case of sales of real estate, business assets or shares in real estate business.

Non-discrimination. Each convention prevents discrimination based on nationality. This will ensure that a country's nationals will be treated the same way as those from other countries under similar circumstances. However, this will not prevent a country from granting tax incentives—for example, small business deductions—on the sole basis of the taxpayer's residence.

The case of teachers. None of the conventions provides for special treatment in the case of foreign teachers in Canada. The two-year exemption provided for in the 1966 convention with Great Britain will therefore be removed.

Pensions. Canada has preserved its right to tax pensions paid to residents of the countries concerned in the bill. In the case of two countries, Italy and Great Britain, this taxation right at source will be exercised only when the amount of pensions exceeds $10,000 a year. However, those provisions do not affect the taxation right of the recipient's country of residence.

Relief from double taxation. In Canada, the method used for relief from double taxation is to grant a credit on Canadian taxes for taxes paid abroad, subject of course to the limitations set out in the domestic legislation. Furthermore, dividends received by a Canadian business from its foreign affiliate are tax exempt in Canada if they come from the exempt surplus of the affiliate.

The conventions with Malaysia, Spain, Liberia, Korea, Jamaica, Romania, Indonesia and Barbados also contain a special provision commonly called a fictitious tax credit. Under such a provision, tax incentives provided by the domestic law of those countries are recognized for Canadian tax purposes, which means that investors will be able to deduct from their Canadian taxes foreign taxes that have not been collected.

As a whole, the terms of each of those conventions provide fair solutions to the different problems of double taxation between Canada and those countries. Each of the countries concerned is awaiting impatiently the implementation of the bilateral tax convention, and consequently I am very happy to see that hon. members are agreed to give this bill rapid and diligent passage.

Mr. Speaker, I do not want to take more of the time of the House for this bill which is very well known as the previous government had already introduced it, and I am happy to see that hon. members are prepared to pass this bill on a priority basis.

● (1430)

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, we would like to congratulate the Minister of State (Finance) (Mr. Bussières) on his speech. He is far more informative than the Minister of Finance (Mr. MacEachen). As a matter of fact, the more the Minister of State (Finance) performs, the less there is for the Minister of Finance to do.

Some hon. Members: Hear, hear!

Mr. Crosbie: As a matter of fact he is doing less. His main job is obfuscation; that is, to seem to be answering questions in the House while telling us nothing. So the Minister of State (Finance) is a refreshing change.

Now, the legislation before the House is not exactly earth-shaking but it is an indictment of our system, Mr. Speaker, that it has taken so long for it to go through the House. If my memory serves me right, some of these tax agreements were entered into by the minister something like three or four years ago directly with countries such as Spain, Liberia, Austria, Italy and so on. It is extremely embarrassing for the Canadian government when they have to go year after year and advise these countries, which presumably ratified these tax conventions long ago, that the Canadian Parliament still has not acted because the government has not so timed its business in the House of Commons that the legislation can be dealt with. So we certainly do not want to hold up this bill; we hope it will be dealt with expeditiously.

However, I do want to ask a few questions in that field on some legislation that may be coming up—further legislation dealing with tax conventions. The legislation before us this afternoon has to do with avoiding double taxation. I wish the government party had avoided double-tracking during the election campaign and that they would avoid double-crossing the Canadian electorate.

An hon. Member: Since the election.

Mr. Crosbie: Yes, since the election. There is every indication that their fondness for doubles is going to continue—double-tracking, double-taxation and double-crossing.

An hon. Member: Double talk!

Mr. Crosbie: Before getting on with that, though, I would like to say a word as somebody who was minister for a few months in the Department of Finance. I think our tax officials, the people who work for the department, should have a kind word said about them. This is not normal. I do not know of any taxpayer across the country, from St. John's to Vancouver or Victoria, who has much in the way of kind words to say about the tax department or the tax policy department. But as the minister I found them to be very hard working. They deal in an area of great intricacy and difficulty in a technical sense and they do a good job.

It is alarming to see the length of time which has elapsed since Dr. Neufeld retired. He left the department in January or February, I believe, some time during the early winter. He was the assistant deputy minister for taxation and did an absolutely first-class job. But Dr. Neufeld has gone from the Department of Finance and is now vice-president and chief economist with the Bank of Montreal. As a matter of fact, a few days ago I saw reported in the paper an address he made in London which was of very high quality, as I would expect from Dr. Neufeld. But the department has not yet been able to find a replacement for Dr. Neufeld.

An article I noted in the *Financial Post* drew attention to the difficulties the department has been having. It drew attention to the need for attracting first-class tax lawyers to work for the tax policy branch of the department and pointed out the difficulty experienced in getting any lawyers who have expertise in taxation to come to the department because of the pay which is offered them. The government will have to consider whether to remove the tax policy people from the ordinary salary levels of people in other departments in order to attract the person of high calibre who is needed for the tax policy division of the Department of Finance. I wish my memory served me better but it must be three or four months at least since Dr. Neufeld left the department—it is almost six months now—and we have not had an assistant deputy minister of finance, taxation, in that time. Mr. Sid Rubinoff is the acting assistant deputy minister for that branch but he is also in charge of his own section of the department and can hardly do justice to both of these very heavy positions.

We also know, from what we have seen and heard, that the department is examining tax expenditures and areas in which they can raise tax revenues and whether tax expenditure loopholes should be closed or what should be done. It is very difficult to do this work if you do not have a full-time, top-notch tax expert at the head of the section. So while there are some fine people there, Mr. Speaker, they need strengthening, they need assistance.

Having been the minister, I can assure the House that the complexities of this area are immense. Everyone in the country is interested in this field; at least, anybody who makes money, anyone in the business world, anyone who pays income tax. So very many people in this country have an intense interest in this area. They are all looking for loopholes, for ways to avoid paying taxes or ways to reduce the burden of taxation on themselves and their companies. The government is going to be very badly off unless this crisis can be overcome. It is my suggestion that the government start thinking about paying

twice as much, if necessary, to get a first-class man to take over Dr. Neufeld's old position in the department.

An hon. Member: Or woman.

Mr. Crosbie: Or woman. When I say man, I mean woman. When I say woman, I mean man. I am bisexual in that respect. And when I say "Mr. Speaker", I mean "Madam Speaker". When I say "Madam Speaker", I mean "Mr. Speaker". This is the way I am—absolutely sexless.

Some hon. Members: Oh!

Mr. Crosbie: I do not discriminate between one and the other.

An hon. Member: But you know the difference.

Mr. Crosbie: As the hon. member for Winnipeg North Centre (Mr. Knowles) says, when the government says no it means yes and when the government says yes it means no. And when the Minister of Finance says something, we know he does not mean anything. So there you are!

To get on with it, Mr. Speaker, I am trying today not to make an hour and thirty minute speech if I can possibly avoid it. So I just want to pass on. In my speech, that is—I do not want to pass on here. However, if I have to sit here many more years watching this crowd trying to act as the government, I may well want to pass on.

● (1440)

What I want to ask some questions about is this. When I was minister of finance I think we had a coup, which is not generally realized. Dr. Neufeld was the negotiator, and late in December he managed to conclude an agreement for a new tax convention with the United States of America. That was of great importance and great urgency because at the time we were trying to settle our oil pricing negotiations with Alberta, and one of the matters at issue was the proposed energy tax and whether it would be a tax on income or a tax on revenue. A tax on revenue is far preferable from the point of view of simplicity and less possibility of tax evasion and so on, so that was the route that I certainly favoured.

However, the province of Alberta and the producing provinces were arguing that it should be a tax on income. The difficulty with a tax on income was that there was a large loophole there in that under the present tax convention that is now operative the non-Canadian holders of resources, particularly in the field of oil and gas, could remove income from Canada and only have to pay the withholding tax. I think this is what the problem was, the 15 per cent withholding tax, that it would not be subject to the energy tax or other income tax rates.

This made it really impossible for us to proceed with an energy tax by way of a tax on income. I want the minister to tell us when he winds up whether the new tax convention has been agreed by both governments. I understand it has, so when is legislation is likely to come forward to the House implementing it, because it has far more importance. The nine we are dealing with today are of insignificant importance to Canada. They are minuscule in importance compared to the tax convention with the United States of America and the effects it can have on the government's revenue and on our whole system here in Canada. Have both governments agreed to the new tax convention which was agreed to by officials during last December?

There was in the papers some weeks ago a story that a new Canada-U.S. tax treaty had been negotiated. Recently it has been prepared for signature. One of the provisions of that agreement was that the 15 per cent withholding tax on dividends, interest and so on would, I think, be reduced to 10 per cent. But the loophole that enabled income from resources to be moved out only paying the withholding tax had been changed, and I am quoting now from the Ottawa *Journal* of May 24:

> The resource tax change ensures that any profit or income from real property, including natural resource royalties, will be fully taxed in Canada. In addition, gains arising from the sale of the property, including business assets of a permanent establishment, will be fully taxed in Canada. Under the old treaty, a maximum tax of 15 per cent applied to non-residents on resource royalties—

And so on.

> Finance officials say the extra revenue generated from the resource tax changes could be worth "hundreds of millions of dollars" in the future as the price of oil—and the government's share of tax—rises closer to world prices.

In return for getting the Americans to accept our proposal that that loophole be stopped, we had to give something, of course, to the Americans, and what was agreed was that there had to be *quid pro quo* and that was a reduction from the 15 per cent, I think it was, to the 10 per cent rate on the withholding tax with reference to certain earnings. The Americans also agreed then and continue to agree, as I understand it, that they are going to change the provisions of their tax law which make it difficult for U.S. businesses and U.S. citizens who go to business conventions to come to Canada.

As you know, Mr. Speaker, this has been a sore point for a number of years. Our own hotel and tourist industry complains that those changes to the law severely curtail U.S. convention business in Canada, but I understand, if my memory serves me right, last December the Americans agreed to amend that. That was the amendment they were going to make in return for our dropping the rate on the withholding tax to 10 per cent.

So, if the minister when he is closing could confirm that all this is so and can tell us when that very important new tax convention will come before us for ratification, it would be of extreme importance.

The Americans also agreed that they would allow the non-deductibility rule for Canadian advertising in U.S. border broadcasting stations to be dealt with in another manner and not hold up this new tax convention. I would like to know if that is still the situation, because that is the tax convention that it would be of great importance and great interest for this House to pass.

Before sitting down I might mention to the minister that there is other legislation coming up—the Bretton Woods legis-

lation, for example. When that comes forward we would like to have information on some of the countries we have relations with, such as Jamaica, what the present state of our financial relationship with Jamaica is and just what we are doing to help Jamaica, what requests have been made or what action the government might be taking in view of the very difficult financial position of many Third World countries.

We are going to be interested in the whole area of north-south relationships, and when the minister introduces those bills, if he does, we would like to have more fullsome information than just what is happening. How does the government see the international economic and financial scene? What are the results?

The Minister of Finance has left this House. He has gone to places such as Hamburg to an IMF meeting. He has been to "gay Paree" for an OECD meeting. He has addressed the Franco-Canada Chamber of Commerce. He has done considerable travelling to international finance forums. We know this Minister of Finance is a somewhat shy man who does not like to say what he is doing or what he is going to do. He is used to being a manipulator, a House of Commons manipulator. He has not learned yet that he is the Minister of Finance, that he has to start telling the country what his policies are and that he can no longer just be the artful dodger. He has to learn that he can no longer just be the Artful Dodger. He has to learn that Finance. It wants a Minister of Finance who is going to outline his policy to deal with recession and inflation. We are having both at the same time in these present circumstances. The artful dodger is going to be tracked down. He is not going to be able to hide in his Lear all year—

Mr. Collenette: "Lair".

Mr. Crosbie: —even if he has a Lear jet. Even a Lear jet will not help him.

Mr. Collenette: Lair.

Mr. Crosbie: I cannot help if my accent is not what it would have been had I gone to Oxford and Cambridge or one of those places. I am just a young fellow from the country!

So that dodger is going to have to learn that he has to come to roost. The cock has to start crowing and not just obfuscating. I suggest when the Bretton Woods legislation comes in as the next piece of business that our cock start crowing and that he tell us what his policy is going to be in the international finance area. What happened in the IMF meetings in Hamburg? What happened at the OECD meetings in Paris where the hon. member for Kingston and the Islands (Miss MacDonald) and I were last year?

Mr. Knowles: What happened?

Mr. Crosbie: Well, I cannot tell anything on a lady, you know that! But we would like to know what happened this year. What happened last year is old hat. We want to know what happened this year and what the government's position is going to be, not generalities. Is the government taking any new initiatives? The minister says he is concerned about the north-south dialogue. What specific steps is he going to take? We want this kind of information. What is the position on Jamaica? What is the position with reference to Turkey, another country that is in a difficult position internationally in finance? These are the kinds of things we are interested in, and if he does that, then we will be co-operative to pass the legislation through this House, as long as it gets its minimum of needed debate and we get some information.

So, Mr. Speaker, we support this legislation. We have one or two other speakers who have a contribution to make, and then we will be ready to pass on to the next item of business. I hope the minister will address himself to the U.S. convention when he speaks to close the debate.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for St. John's West (Mr. Crosbie) when he was saying something that I believe he really meant, we thank the Minister of State (Finance) (Mr. Bussières) for the statement he made on introducing this bill. If the Minister of State (Finance) is called upon to introduce and pilot through this House many more pieces of financial legislation, we may begin to get the notion that he is the minister of finance and that the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) is something else. However, we do welcome his statement and his readiness, when the bill goes to committee, to explain any futher details about these treaties which need to be explained.

• (1450)

For a moment I thought that the hon. member for St. John's West was going to treat this bill as though it were a general budgetary proposition opening up the whole field of taxation, but his forays into that wider area were somewhat limited, and I shall follow suit. In other words, I have one or two things of a general nature that I would like to say, and then I have a comment about what I regret is an omission in the bill which is now before us.

The general comment I wish to make is that, as the hon. member for St. John's West said, tax officials are not exactly the nation's greatest heroes. But if the Department of Finance could recruit more tax officials who understand, for example, the difference between tax credits and tax exemptions, they could become national heroes. We get into great flaps over the changes, up and down, in the exemption levels provided in the Income Tax Act, but we sometimes forget that moving those levels up or down results in a bonanza for those at the top and often times not very much for those at the lower end of the income scale.

We have established, in respect of political contributions, the very fair principle of a credit against the actual tax paid, with a ceiling, so that one cannot finance the Liberal party and get the whole thing back from the treasury. We had a debate a week ago this afternoon, I believe about the desirability of applying the same principle to contributions to recognized charities. We have contended that people with lower incomes would be better served by tax credits for their cost of living,

for housing accommodation and so on. These are concepts which could be built into the income tax structure which would make it much fairer than it is at the present time.

I join the hon. member for St. John's West in wishing the government well in its recruiting of efficient and able people in the department, and I hope that the minister or ministers in charge of that department will give more consideration to the concept of tax credits as one of the best ways in which to achieve fairness in the taxation policy.

However, the bill before us does not deal with taxation policy broadly but rather with agreements between Canada and various other countries for the purpose of avoiding double taxation. In so far as we comprehend what these agreements do with the countries listed in the bill, we are prepared to support the legislation that is before us.

I want to express. however, on behalf of constituents of mine, both in my own riding of Winnipeg North Centre and across the country, a regret that agreements with some countries have been so long delayed. I refer in particular, because there are many in this country who are affected, to the agreement between Canada and West Germany. The hon. member for St. John's West said that some of these had been around the department for a long time. I know that I had correspondence with the hon. member for St. John's West when he was the minister of finance about the taxation agreement with West Germany. I also had correspondence with the present Minister of Justice (Mr. Chrétien) when he was in that role. I had it also with the Hon. Donald Macdonald, and the Hon. John Turner. So it has been around for a long time. At one point, an agreement between Canada and West Germany did get into one of these omnibus bills such as the one we have today, but when we got to that bill, the government said it had to be amended and the agreement with West Germany had to be taken out. Every time there is this difficulty in reaching an agreement between two countries, each country seems to blame the other.

The people in Canada who are affected—and, by the way, the ones who are in touch with me are mostly pensioners—say that the word they get from their friends in West Germany is that Canada is dragging its heels. But when I received these letters, as I did last year, from the hon. member for St. John's West or from other ministers, their story always is that it is in Bonn that the delay is taking place. When you add to the fact of this delay respecting income tax agreements between this country and Germany the fact of confusion about the reciprocal pension arrangements which were made some years ago between Canada and West Germany, it does put many of these people who are concerned in a very difficult position. I have in my mind the names of some of the constituents who have written me about this over the years who in the meantime have died. Well, it is no problem for them any more, but it does seem a shame that people have to wait so long for problems such as this to be solved.

I hope that the minister will not indulge, as did the hon. member for St. John's West when he was minister of finance and as these other ministers have done, in the old game of blaming the other side. I realize that it takes two to reach agreement, but surely if we believe in the fairness that is involved in these taxation agreements between various countries, our people should make a serious effort to come to an understanding with the officials of the government of West Germany and achieve this agreement. I press for it on behalf of Canadians of German origin, Canadians who formerly lived in Germany, many of whom are disturbed over the length of time it is taking on two counts; one, to get the reciprocal pension agreement sorted out, and two, to get a taxation agreement between our two countries which will meet the situation.

There might be other countries. I know I have heard complaints about the situation between this country and Italy. But I see that Italy is included in the bill before us. There might be other countries that are not mentioned, so I do not single out West Germany except that that is a country concerning which I have had most correspondence.

These are my thoughts on this bill. They are in two parts. First, I would like to see the taxation policy improved, particularly along the lines of more use of the tax credit principle; and second, I would like to see the agreement between this country and Germany finally achieved and put into legislation. I hope that when the minister speaks to wind up this debate he will be able to give us some hopeful word in that connection.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in rising to exchange a few views with respect to Bill S-2, I would like once again to put on the record that I find it most unfortunate that legislation, such as the bill before us, is being put through the House to which in future, by order in council, various amendments can be made. Although these amendments can be negatived by a vote in the House, nevertheless they take substantially away from Canadians, through the House of Commons, the right to consider legislation rather than simply have ratification of or a negative vote on something that the government has already put in place.

I have raised that point before, but I would draw the attention of hon. members to the fact that once again this offensive clause is put into this bill. I think that in committee we should give serious thought to whether it is needed in fact. However, the main thrust of my comments concerning this legislation is that I think it is time we in Canada stopped being naive. I know that is common wisdom. My friend to the left has just said he has no particular objection to this legislation, that its whole tone is routine, but I think it is time we stopped being naive. In effect we are asked to somehow or other rubberstamp it and get on with it. We are living in a world where tax havens have become commonplace. These double taxation treaties really facilitate that type of operation. I suggest that we should first quit being so naive and realize that if this is the way the world will be ordered, it is time we started to play a few of the tax haven tricks ourselves. The Minister of State for Finance (Mr. Bussières) said that we will have 33 treaties. If other countries are asking us to enter into these tax treaties, I think the time has come for us to start taking a look at why they are so anxious for tax treaties. To what extent are

they setting up tax havens within their own jurisdiction from which Canadians somehow or other do not get any benefit?

● (1500)

In support of what I am saying, I should like to touch upon the four tax haven countries with which we will enter into tax treaties under this bill. The first country I should like to refer to is the United Kingdom. It may come as a little surprise to members of the House that the United Kingdom is treated as a tax haven country. But one has just to go down the corridor into the library and ask for a booklet on the tax havens of the world in which there is a very interesting section on the United Kingdom and how its tax haven facilities work. I should like to quote a few passages from the booklet entitled: "Tax Havens of the World" dealing with the United Kingdom as a tax haven. Under the heading "Tax Treaty" which is exactly what we are now considering amending with respect to the United Kingdom, it reads:

The United Kingdom has more income tax treaties to avoid double taxation in force than any other country in the world, with more than 80 income tax conventions taking precedence over normal taxation procedures and rates.

One can see that the most advanced country in the world as far as double taxation is concerned and, to some degree, the tax haven concept, is the United Kingdom. That is one of the treaties before us that we are being asked to amend. The booklet to which I referred continues as follows:

—since the new corporation tax became effective April 1, 1973, withholding of income tax has been abolished and United Kingdom companies must deduct the 30 per cent ACT. New or revised income tax treaties since that date generally allow for the shareholder to receive a 15 per cent credit against the ACT. In those treaties not yet renegotiated, the shareholder may receive an adjustment against the ACT by arrangements with the tax authorities. In most treaties the articles treat royalties, interest and technical assistance fees as exempted from withholding tax or the ACT deduction.

The reason I have touched on that, first of all, is that I want to put into context the exact nature of the tax haven found in the United Kingdom. The booklet continues:

The United Kingdom is treated as a tax haven country primarily because of a quirk in the basic concept of the corporation tax.

It goes on to say:

—thousands of United Kingdom companies conduct their overseas activities through domestic subsidiaries that are controlled and managed from abroad. Accordingly, these companies are not resident for United Kingdom tax purposes. In order to satisfy these conditions of management and control outside the United Kingdom the Inland Revenue requires that all directors' and stockholders' meetings be held outside the United Kingdom and that all administration be directed from outside the United Kingdom, which may include the exigency that officials of the foreign parent company abstain from making visits to the "non-resident" United Kingdom company.

This goes on for pages. Also the following is pointed out:

A secondary reason why overseas companies have created foreign-based trading operations in the United Kingdom has been linked to Britain's advantageous remittance tax law which offers a special inducement for executives from abroad to work in England.

Again it is indicated:

Under the United Kingdom Inland Revenue Act, foreign citizens employed in the United Kingdom by non-resident foreign companies (not managed and controlled within the United Kingdom) may take advantage of the "remittance basis" of taxation practised in the United Kingdom and, therefore, minimize the taxes paid to the United Kingdom.

It continues:

The individual qualifying under the remittance basis will not be taxed on transfers of capital to the United Kingdom but will be so taxed where income arising outside the United Kingdom is remitted to the United Kingdom. In the past many foreigners, especially American executives working in England, would arrange financing in their home country, instructing their employers to deposit salaries to their accounts and paying interest charges on the loans, with capital transfers made to employees non-taxable in the United Kingdom.

The point I am trying to make is that we are not listed as a tax haven country. Yet, we are signing many treaties with tax haven countries that, for their own advantage, be it employment, industrial production, banking, finance, or whatever, are exploiting the world market at the present time through the simple facility of creating these tax shelters. Surely the government should be asked to come before committee to give us an overview on this. To what extent is the Canadian government aware of this activity? If they are, to what extent have they considered bringing some of these activities into existence in Canada so that we can have the double-edged advantage of these tax treaties? In principle it is beautiful to be running around the world saying we want to sign these treaties and co-operate because it facilitates trade, expansion and business, but if we are only getting part of the advantage by not structuring some tax incentives or tax havens in this country, I would suggest we are only getting half the apple as opposed to the whole. If members are interested in the full story about the United Kingdom, I invite them to take a look at the book.

Let me go to the other extreme. Another tax treaty into which we are about to enter is with the Republic of Liberia. It is just the reverse contrast. We would be one of the few countries in the world to enter into a tax treaty with Liberia. The same booklet to which I referred reads as follows:

Liberia has income tax treaties with West Germany and Sweden avoiding double taxation. A treaty with Canada has been signed but is not in effect, while a treaty to avoid double taxation on shipping and aircraft income is in force with New Zealand.

We will be the third country in the world that has been courageous enough to sign a double taxation treaty with Liberia. I say that because we must remember that Liberia offers foreign investors and traders numerous inducements to operate there as a tax haven for holding, trading, shipping or manufacturing companies. The booklet indicates:

A modern tax law designed to attract foreign capital is a hallmark of Liberia's tax structure. Under the law a Liberian corporation is not subject to taxes in Liberia if (1) more then 25 per cent of the corporate stock is owned by non-Liberians and (2) corporate income is derived from sources outside of Liberia.

Also the booklet indicates:

—the Liberian minister of finance is authorized to fix the rates on the tax payments withheld to non-residents but in no case may they exceed 15 per cent—

In short, it is a perfectly orchestrated country and administration for the avoidance of taxation through the tax shelter route. The net effect of this is perhaps best spelled out in another book called "The Robert Kinsman Guide to Tax Havens" and is, if you like, the bottom line with respect to Liberia. On page 132 of that book he states:

● (1510)

—the importance of this African tax haven in the shipping world. Because it encourages the use of its flag as a flag of convenience, it has the world's largest merchant shipping fleet. Liberia is the only tax haven in Africa and has a few other significant tax features of potential interest: it levies no tax on the foreign source income of non-resident corporations more than 50 per cent foreign owned, but does tax their domestic income. The country's corporation law is patterned after that of Delaware. Assistance in establishing a company may be had through a Liberian trust company office in New York. Despite its distance from the United States (almost nine hours by jet from New York), it uses the U.S. dollar as its currency and English as its official language. The nation has no exchange controls and has been an independent republic since 1847.

Liberian corporations can be formed quickly, sometimes within 48 hours, by cable from the United States, and have several other handy features. Annual meetings can be held anywhere... but there are no government reporting requirements and bearer shares may be issued. The articles of incorporation need not specify corporate purposes, and corporations may become directors as of 1977. There is no residence requirement for officers, directors, or stockholders, although each corporation must have a resident business agent in the country, a task usually performed by a local trust company.

Let us not kid around, Mr. Speaker. What we are proposing is to sign a double taxation treaty with Liberia, a country that has made a specialty of not only granting tax haven status to those who want it, but making it so attractive for the registration of fleets that the largest merchant fleet in the world is registered through Liberia.

I ask the question again: Are we sure that is the type of country with which we want to enter into a double taxation treaty?

An hon. Member: Yes it is.

Mr. Stevens: The second question I must ask is where is the benefit to us? Where is the other side of the treaty that we can point to as showing that not only are we getting international agreements signed, but showing the advantages to Canadians of some type of attractive tax treatment for those who wish to do business here?

Mr. Evans: Did you ask those questions when the treaty was before your cabinet last year?

Mr. Stevens: Mr. Speaker, we have another voice in the wilderness over there. The member has asked a very pertinent question. He wants to know if I asked the questions I am now asking of our own cabinet. I am very pleased to tell the hon. member that I did. If he wishes to go through his governmental files he will find discussion papers on what is now before us. I would urge him to bring those discussion papers along when this bill goes to committee so that we can have a free discussion and get a lot of that information on the record.

Mr. Evans: I cannot do that.

Mr. Stevens: Mr. Speaker, the voice in the wilderness now says he cannot do that—he cannot bring these discussion papers to committee.

There are two other countries I should like to touch on very briefly that are included as possible tax treaty countries. Barbados and Malaysia are both tax havens under the definition of that status noted in the "Tax Havens of the World" booklet I referred to. Let me deal first of all with Barbados. This is an interesting study. My hon. friend who spoke once from the wilderness and then went mute, knows that in the Bank Act which is before the finance committee, there is a proposal to allow foreign banks into Canada.

It is interesting to see what Barbados, as a tax haven, did to facilitate bank activity there. The main reason I raise this question during the discussion of Bill S-2 is to make sure we have the proper perspective. These are not innocent little treaties; they are very significant treaties. Canada is becoming one of the most active countries in the world in signing these treaties and I think we must get the other side of the story before we rush into some of them, perhaps unwittingly.

Having regard to Barbados, the booklet "Tax Havens of the World", dealing with the act that concerns corporations states:

—under the amended act of 1977, only a "resident" international business company may qualify for income tax exemption. A "resident company" is a company incorporated under the laws of Barbados or having its business managed and controlled in Barbados.

I want to discuss what they have done with respect to banks, Mr. Speaker. On the next page the booklet states:

As an integral part of its hopes to attract foreign companies through tax advantages, the government of Barbados also became a financial tax haven in 1979 when new banking and trust institution legislation was implemented. The new offshore banking laws permit foreign banks incorporated in Barbados to carry on business outside of Barbados with considerable flexibility and do not require a minimum or maximum capital investment. However, a relatively small tax of only from 1 to 2½ per cent as determined by the Commissioner of Inland Revenue is levied on the earnings of Barbados banks derived from offshore activities.

Later on the same page the article goes on to say:

Patterned after the unusually successful Singapore offshore banking law, Barbados permits nonresidents to operate banks in Barbados that are not subject to the normal 45 per cent tax applied on business profits and associations for dividends, interest, servicing and other income earned outside of the island. The traditional bank secrecy rules of the other leading financial tax havens of the world are practised. To qualify for an offshore banking institution in Barbados, foreign investors are not allowed to transact business with Barbados residents, receive deposits from residents or carry on lending arrangements which create interest and other income derived from Barbados residents.

Is it not rather strange that we have on our left a rump group which from time to time likes to ask how it is that our banks are not paying higher income taxes, and yet to this moment in this debate they have not said anything about this bill that would obviously facilitate the avoidance of tax by one or more Canadian corporations? We hear nothing from them to indicate they are interested in what Bill S-2 is all about.

I invite those interested in the ramifications of these tax haven countries, with whom we are considering entering into certain treaties, to read the book "Tax Havens of the World". Everything is set out very well in it. It deals with the type of incentives Barbados, for example, offer to win business. On page 6 of the section on Barbados, it states:

Like the other present and former British overseas territories situated in the Caribbean area, Barbados takes pride in offering a number of Pioneer Industries and Industrial Incentives Acts in addition to the International Business Companies (Amendment) Act, 1977. One of the most important of these incentive laws is the Pioneer Industries Act of 1958 which provides manufacturers of approved products with exemption from taxes for a specified term of from seven to ten years under an option plan involving two choices.

That is another example of a country that is openly trying to create tax incentives in order to get people to do business there and presumably to create employment and general prosperity. What is our side of the equation? What do we have that is comparable? To the best of my knowledge, in the context in which I am now speaking, we have nothing. That is the thrust of my remarks. Let us not take Bill S-2 too lightly. This involves treaties with various countries, some of which have serious ramifications for us. Unfortunately there is a ramification which is being overlooked. We are one of the few countries of the world which does not have comparable tax schemes or incentives to attract bankers, financial institutions and other industries to do business in this country. Yet, we are contracting through these treaties with various countries which do this very thing, countries such as the United Kingdom, which is perhaps the greatest tax haven country in the world.

● (1520)

I mentioned that I wanted to touch on Malaysia. Under the Income Tax Act of 1974, Malaysia provided that:

—income derived outside Malaysia by a resident company or an individual is exempt from taxation unless it is received in Malaysia. Foreign income of non-residents received in Malaysia also is exempt of tax. A single exception to the general rule is that resident banks are taxable on income no matter where it is derived.

Obviously, in that case the bank will be incorporated in Barbados and will presumably do business in Malaysia, if it is starting from scratch. The article to which I am referring points out that Malaysia has treaties with countries such as Belgium, Canada, Denmark, France, India, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland and the United Kingdom. Treaties have also been signed by Austria, Belgium and West Germany, but they are not yet in force. Once again, we are one of the leading countries in signing these treaties, such as in the case of Malaysia, yet there is very little evidence that Canada has tried to create a situation within the country that will reap benefits for the country, such as those being reaped by many of those countries which have these tax avoidance schemes.

I hope the Secretary of State for Finance (Mr. Bussières) will have some comments to make on this bill before it goes to committee, and that some of the observations which I have made will be dealt with in committee where we can consider the matter further.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my intervention in this debate is to reinforce a point referred to by my colleague, the hon. member for York-Peel (Mr. Stevens). It is a matter about which I have spoken on previous tax treaty ratification legislation which deals with a reference to section 36 of the bill. There is a difficulty with regard to the procedure which was devised, after a great deal of negotiation, when the Hon. John Turner was the minister of justice, about orders in council being made and being subject to revision in this House. How is this done? It says:

An order referred to in subsection (1) shall come into force on the thirtieth sitting day of Parliament after it has been laid before Parliament pursuant to that subsection unless before the twentieth sitting day of Parliament after the order has been laid before Parliament a motion for the consideration of either House, to the effect that the order be revoked,—

In other words, it is a negative resolution. It must spell out the procedure because the present Minister of Finance (Mr. MacEachen), when he was president of the privy council, was either too indolent or did not give a damm about what was going on in Parliament. I was chairman of the Standing Committee on Procedure and Organization, and I begged him to give us the reference. Subsequently, his predecessor as the minister of finance, the former member for Eglinton, was chairman of the procedure committee while I was vice-chairman. Both of us, in our private ways, appealed to the hon. gentleman to give us the reference so that we could dress up in our rules precisely what is provided for under section 36.

It is the most ludicrous thing that one can contemplate, and is an indication of the sloppy way in which this House must sometimes proceed because the government is replete with inertia. A complaint was raised the other day because the committee on procedure has not even met, although there is ample work for it, particularly with regard to putting this reference in place.

I am sure there are enough of us in the House who understand what is involved here that we could come to an agreement. After all, the legislation brought in while John Turner was the minister of justice was by agreement, as the hon. member for Winnipeg North Centre (Mr. Knowles) I am sure will remember. The reference was put in place after it had been discussed privately and publicly, and agreed to. I am sure the temper of the House would be the same and that we could change our rules of procedure to remove from each one of these bills this long rigmarole that takes place in this House when a negative motion is brought before it, or when a particular order in council shall be subject to an affirmative or a negative motion. These matters are provided for in the statutes.

The points mentioned by my colleague with regard to the features of these tax conventions have been repeated before. Although I have not examined the statutes in detail, he assures me that some of the problems which we encountered in previous legislation and had corrected in committee, are, for some reason, reappearing. I do not know whether it is bureaucratic insistence that they shall be right at all times and that the House of Commons committees must be deemed to be wrong at all times, but there is a reintroduction of the same errors time after time, and this House will not accept it.

The finance committee though does not have much on its plate at the present time, and there is enough here to keep it busy until Christmas. If this matter is added to the agenda it will be dealt with. I would say to the Minister of State, Finance (Mr. Bussières), who is acting on behalf of the Minister of Finance, I hope he takes note of what we have said with regard to convincing the President of the Privy Council (Mr. Pinard) to obtain an order of reference. I am sure there would be consent with very little delay so that it could go to the committee on procedure where we can amend the rules and

eliminate all this consideration in the House and in committee of what are really rules of procedure.

I also hope the government will take note of the views of these committees and of the people who hold these views so that they will prevail, rather than the views of those in the bureaucracy.

Mr. Deputy Speaker: I see that the minister is rising. I should inform him that if he speaks now he will close the debate.

Mr. Stevens: Mr. Speaker, I was wondering if, in all fairness and out of courtesy, the hon. member for Willowdale (Mr. Peterson) could be given a few moments to express his views. He kept making comments during my speech, and I thought he should have a few minutes here this afternoon.

Mr. Deputy Speaker: Order, please. The Chair will recognize the Minister of State, Finance (Mr. Bussières). His statement at this point will close the debate on second reading.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I thank my colleague who did not accept the invitation of the member for York-Peel (Mr. Stevens), but I too, just like the hon. member opposite, would have been very pleased to hear my colleague who is a very able man on the subject of tax conventions and I am aware of his precise interest in this bill and I also know his wish that this bill be passed rapidly. If he did not accept the invitation from the member for York-Peel it simply was to allow me to speak for a few more minutes and draw to a conclusion. I thank him for that. I am convinced that the member for York-Peel will have an opportunity in committee to put to the test the knowledge of my colleague.

First, Mr. Speaker, I would like to mention that I fully agree with the member for St. John's West (Mr. Crosbie) who opened the debate in the name of the opposition regarding the replacement of the assistant deputy minister of the taxation division of the Department of Finance. It is a serious concern and I join him in congratulating and encouraging the public servants of this division for the excellent work they perform. As for the tax treaty or convention between Canada and the United States, the officials of the Canadian Department of Finance and the American treasury have negotiated a new tax agreement between the two countries, as hon. members will know. The convention has not yet been ratified by both governments. Once it has been approved and signed, we shall have the opportunity to discuss it as we are now discussing the agreements dealt with in this bill.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned the negotiations concerning the agreement between Canada and the Federal Republic of Germany. I would like to tell him that last week officials from both countries met to see if progress could be made and to move towards a possible agreement on a convention between Canada and the Federal Republic of Germany. I quite agree with him that the discussions should be speeded up and that both sides should stop passing the buck to each other and say in Canada that it is the fault of Bonn, and to say in Bonn that it is the fault of Ottawa. Instead, the process should be accelerated and there should be some good will shown to come to an agreement as soon as possible, especially as concerns the problem of pension reciprocity and the more general convention on taxes.

The hon. member for York-Peel has raised several interesting points. More particularly, he spoke at length about the countries which offer a tax haven. I wonder why the hon. member is condemning, for instance, the United Kingdom for its local taxation system and the way in which it sees fit to treat its own residents for taxation purposes. For our part, we consider that if a treaty with the United Kingdom favours Canadian entrepreneurs and investors, this is all to the advantage of Canadians, and we do not want to make a judgement on the internal taxation system of other countries.

Our major concern in these agreements and tax conventions is to offer Canadian businessmen and entrepreneurs, those who offer services and goods, the opportunity to benefit from more interesting competition, interests and incomes when they do business with foreign countries. Mr. Speaker, everyone in this House knows that Canada would benefit from an increase in the field of services. We have highly qualified firms of all types which can easily compete in other countries, and it is for those people, for those businessmen who invest in these countries or go there to offer services that such taxation agreements exist between countries. Some have also raised the issue that the amendments to these agreements could be implemented by order in council. But that is not only by order in council. It is by order in council but subject to a resolution of Parliament and I would like to remind hon. members that under part XII, clauses 35 and 36 of the bill indicate the whole procedure to be followed before an order in council is passed. So there is a procedure under which Parliament will be able to question the amendment to the agreement. Those were the few remarks, Mr. Speaker, I wanted to make. I am convinced we will have an extremely interesting discussion in committee on this bill.

• (1530)

[*English*]

Mr. Knowles: Mr. Speaker, before the minister sits down, unless he has said it and I missed it, would he comment on the situation between this country and West Germany in the matter of a double taxation agreement?

[*Translation*]

Mr. Bussières: Mr. Speaker, when I replied to the concern of the hon. member for Winnipeg North Centre on those negotiations with the Federal Republic of Germany—unfortunately I believe he had left for a few moments, which happens very rarely—I indicated that last week officials of the two countries had met and I fully agree with the hon. member that

Bonn should stop saying it is the fault of Ottawa and Ottawa should stop saying it is the fault of Bonn, but we should intensify our negotiations and reach an agreement as soon as possible on the question of the pensions and the tax convention. I agree entirely with him, and as I said, last week officials met and I believe we must put the pressure on to reach an agreement as soon as possible.

Mr. Knowles: Thank you.

[*English*]

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

Some hon. Members: Agreed.

Mr. Stevens: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

[*Translation*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO INCREASE AMOUNT OF SPECIAL DRAWING RIGHTS

Hon. Pierre Bussières (Minister of State, Finance) moved that Bill C-5, to amend the Bretton Woods Agreements Act, be read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I shall be as brief as I was earlier. The hon. member for St. John's West (Mr. Crosbie) kindly invited me to seize this opportunity to expand on our major international positions, considering the interest he took and still takes, I am sure, in this bill he introduced when he was minister of finance and considering the interest we all have in this House, but I shall restrict myself and be as brief as possible.

The bill before us today, to amend the Bretton Woods Agreements Act, provides for the acceptance of an increase in Canada's quota in the International Monetary Fund from $1,357 million Special Drawing Rights to $2,035 million SDRs. In terms of Canadian dollars this means an increase of approximately $1 billion to $3 billion.

● (1540)

As hon. members will realize, this will be a part of our foreign exchange transactions and will have only a minimal impact on our Canadian dollar requirements. In fact, the Canadian dollar cash payment associated with this increase will amount to one-quarter of 1 per cent of the total, or about $2.5 million. Twenty-five per cent of the increase will be paid in Special Drawing Rights held by the exchange fund. The remainder, about $748 million, will be paid in non-bearing demand notes.

The drop in the exchange fund's holdings of SDRs will be fully offset by an increase in what is called our "reserve position" in the IMF. This represents the amount that we are entitled to draw on demand from the IMF for balance of payments purposes. This reserve position is part of our official international reserves. As a result, their composition will change—with SDRs falling and our IMF reserve position rising by equal amounts—but their total will not.

The increase in the Canadian subscription is part of the 50 per cent increase in IMF quotas agreed to in December of 1978 by the fund's board of governors. If all members agree to their proposed quotas this will raise total subscriptions from SDR $39 billion to SDR $59 billion. This over-all increase is designed to ensure a better balance between the size of the fund's resources and the needs of members for balance of payments financing over the next five years.

The International Monetary Fund is the central institution of the international monetary system and, as such, its continued ability to operate effectively is crucial to the smooth operation of that system. Quotas are an important feature of the IMF as they serve four purposes in its operations. First, the quotas which members subscribe are the major source of the funds which the IMF lends to countries in balance of payments difficulties in order to allow them to correct their imbalances without taking protectionist or other restrictive and disruptive measures.

Second, quotas serve to limit the amounts which members can borrow under the various facilities of the IMF. Third, quotas determine the size of individual allocations of Special Drawing Rights when SDRs are created. Finally, quotas determine the voting strength of members and the composition of the executive board.

Since the absolute size of payments imbalances tends to increase as international trade expands, the amount of funds subscribed to the IMF must be increased periodically to meet the needs for international liquidity. The current increase in fund quotas comes at a time when there exists a possibility of large payments imbalances over the next few years. Resources made available through increases in quotas will place the fund in a good position to meet the needs of members during this period.

The increase in Canada's quota will preserve our share in total IMF quotas. This will allow us to maintain a position in the fund which reflects the relative importance of Canada in the global economy. A higher quota will also increase our eligibility for future allocations of Special Drawing Rights and add to the resources available to Canada in the event of balance of payments need.

Mr. Speaker, in view of the unanimous approval given to the proposed general increase in quotas by the board of governors,

the need for a strengthening of the financial position of the International Monetary Fund and the importance for Canada to continue playing a prominent role in the IMF, it is in Canada's interest to accept the proposed increase in its quota. This bill authorizes the Minister of Finance (Mr. MacEachen) to do that.

Before concluding, I would like to remind hon. members that this bill is similar to the one which was introduced in the Thirty-first Parliament by the previous government by the then minister of finance, the hon. member for St. John's West. By reintroducing this bill at this time, the government wishes to emphasize the importance for Canada to accept the proposed increase in its subscription to the IMF. Hon. members were very co-operative with regard to the tax agreements bill that was introduced before this one, and I am glad they recognize this bill is urgent and agree to give it speedy passage.

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, this, as the Minister said, is an important piece of legislation. We support the legislation and the concept that Canada should increase its contribution to the International Monetary Fund, particularly if Canada is to have the same vote and take the same position in the future that it has taken in the past. However, I regret very much that the Minister of Finance (Mr. MacEachen) does not feel this is an important enough area for him to make a contribution in introducing this bill.

The whole structure of the international financial system is comprised of the Bretton Woods agreement; the International Monetary Fund, and the World Bank. That system faces a horrendous crisis this year; it is facing it now.

With regard to the whole subject of north-south dialogue my colleague for Edmonton South (Mr. Roche) will be addressing himself to the whole question of what is to be done to help the underdeveloped world, the Third World countries. They are going to be absolutely bludgeoned with the rapid increase in oil prices over the past year.

How is this going to take place? How are they going to be helped? This is an area of tremendous importance. The Minister of Finance has been in office since March 3 and has represented this country at several international meetings in this area. I mentioned the IMF meeting in Hamburg at which Canada was supposed to have a fairly important role. He also attended the OECD meeting in Paris recently.

The minister made speeches at those gatherings, but he has not told this House a word about his trips. He has not described for us the difficulties he found there, what are the matters that require attention and what is the attitude of the leading financial powers in the world in facing them. He has not told this House anything about the serious economic and financial problems. As we all know, that is our complaint about the Minister of Finance. He has not told Canadians anything in respect of what he is going to do about the financial problems facing Canada. When this opportunity arises through the introduction of the legislation before us, which has to do with the IMF and the whole international financial structure and Canada's place in it, the Minister of Finance is not even in the House of Commons. He has an associate minister of finance here. The associate minister of finance was not over in Hamburg to attend the IMF meeting. The associate minister of finance was not in Paris at the OECD meeting. The associate minister of finance does the legislative work that the Minister of Finance does not want to be bothered with. The minister does the ethereal work; the minister does the travelling work—the minister does I don't know what. We cannot find out what he does because he is not expressing to this House anything he does. We don't know if he has a policy, and we don't know if he doesn't have a policy. We don't know if his main thrust is the battle against inflation or the battle against recession, or the battle against unemployment.

● (1550)

Here is what the minister himself said on April 21 to this House. I am quoting, now, from his bootleg budget, his mini-mouse abomination at page seven:

The international environment which we are facing is a very troubled one indeed.

That is what the Minister of Finance had to say on April 21. He told us the international environment was very troubled. Yet here is his opportunity to be in this House today, Mr. Speaker, to tell us about this troubled international environment, to tell us what he has discovered about it in his two recent trips. What did he discover on these trips to Hamburg and Paris about the troubled environment and what the world can do about it? He is not here. He is like the Scarlet Pimpernel; he pitches here, he pitches there, he pitches, we know not where—however it goes. He is the new Scarlet Pimpernel. Then he goes and makes an intervention statement at the ministerial meeting of the Organization for Economic Co-operation and Development. This statement was released in Ottawa on June 4. What does he say in that? I quote from page one:

The international environment we are facing is a very troubled one indeed.

He didn't open up with any new spirit. He didn't say anything he hadn't said before. He said exactly the same thing on April 21. He told the people at the OECD meeting:

The international environment which we are facing is a very troubled one indeed.

Where is this master of analysis who has concluded that the international environment is a very troubled one indeed? Where is he? When is he going to tell the House what the trouble is, how extensive is that trouble, what his suggestions were to the IMF and OECD as to how the troubled environment should be dealt with? What is his suggestion for softening the north-south crisis? What is his suggestion for dealing with $100 billion that is being generated in the oil-producing countries this year, how it will be recirculated and directed to the countries which will need to borrow to pay the oil import costs the poor devils are going to face? We are badly enough off in this country. This is a wealthy country and we should be self-sufficient in energy. But we are not, because of the hon. gentlemen opposite who have never had an energy policy. When one was presented to Canada they assassinated those

who attempted to do the difficult job, putting them out of office under false pretences. Now they are over there struggling today. The Minister of Energy, Mines and Resources (Mr. Lalonde) was downstairs after the twelve o'clock question period trying to announce that he was making a tremendous offer to Alberta, that he was going to offer Alberta a $2-a-barrel increase from April 1 until the end of September. That was because he hasn't got a policy. He is offering them what he calls "the PC policy" trying to pretend it was the PC government's policy. What kind of a government is that? They do not even announce it in this House, Mr. Speaker. They strut down to the basement and stammer out their feeble excuses for their lack of action. That's the dynamo of a minister who has been here since March 3. He was going to solve the oil pricing question, the energy situation, and here he is on June 13 with no agreement. He has made this panic offer to Alberta and pretends it is the same offer we made back last December. It is not the same, nothing like it. They are using it as an excuse for their lack of accomplishment.

But to return to the international environment. The minister should be here to tell us what he learned at these meetings, but he is not.

We are not going to be pushed around by the Minister of Finance, nor by the government. We are going to continue to point these things out. The people of Canada are not going to be pushed around by them. As I said earlier this afternoon, the "Artful Dodger" is not what we need in Canada. We do not need a minister of finance who is an "Artful Dodger", that is, a manoeuverer who can get around corners, who can appear to be walking forward when he is really going backward at a gallop. That is not the kind of minister we want. We want a minister of finance who tells the people of this country what he foresees and what he plans to do to avoid the bad things he foresees, and what he plans to carry out to encourage the good things he foresees. We do not need a master of double-talk; not a master of nothingness. I said earlier today, he is the only man in the House who can be Blynken, Wynken and Nod, all three at the same time. He is the old three-in-one. He doesn't answer questions from the NDP, he doesn't answer questions from the Conservative party, I don't know what he does in the Liberal caucus. Perhaps they don't bother to ask him questions, but the time of the "Artful Dodger" might have been all right in the nineteenth century when events were pretty slow and Dickens was writing, but the "Artful Dodger" doesn't suit the people of Canada today in our economic position with unemployment increasing rapidly and inflation rising quickly. With these serious problems facing Canada the people don't appreciate the "Artful Dodger". The IMF doesn't appreciate the "Artful Dodger"; the OECD doesn't appreciate the "Artful Dodger". The "Artful Dodger" has to stop dodging and start working, start announcing and pronouncing what the government's approach is. There is not a person in this country who can figure out what the government intends to do in the economic sense. We cannot afford to wait for weeks after an oil pricing agreement for a budget to come down. If that minister is so shy and modest he does not want to bring a budget down before there is an oil pricing agreement, let us have a clear statement by the government about what its thrust is to be in the next three or four years. Let it tell us what the framework is within which the working people, the businessmen, the manufacturers and the industrialists of Canada will have to operate. What is its position going to be on the international front? What the minister said at the OECD meetings was clear. I quote him again:

> Inflation remains the number one problem facing most countries around this table.

We know that. Then he said:

> The experience of the 1970s has brought home the point that we are unlikely to achieve a sustained improvement in employment unless we get inflation under better control.

Well, Mr. Speaker, the financial analysts, the investors and the brokers read this kind of stuff. They try to get from it some idea of what the government is going to do. What are they to make from the minister's statement? Does it mean that the government's policy will be: Look, until we beat inflation, get it under better control, we can do nothing about increasing unemployment and therefore the thrust for the next year or two will be against inflation and we will do what the governor of the Bank of Canada has recommended to the Senate committee—we are going to reduce further aggregate demand, as the governor of the Bank of Canada said we should be doing. Is the fiscal policy of the government going to correlate with the monetary policy of the governer of the bank and the government's monetary policy? Is that what is to happen, or is it something else? Surely to God the people of this country have a right to be told by the government what approach is to be taken.

We can go on examining the minister's short statement to the OECD. He points out on page two what the problem is. He was referring to the oil price increases. It says:

> Those surpluses which are now running at a record rate of over $100 trillion are contributing to the deterioration of the economic situation of virtually all oil importing countries internally as well as externally. They also threaten to create major difficulties in international financial markets.

Why is the minister not here to tell us what he proposes to do about those surpluses and how the world is going to get around this? And as for the IMF, how we are to avoid major difficulties in the international markets; what is Canada going to do to stop contributing to this situation? Here is Canada, a relatively wealthy nation, self-sufficient, overall, in energy—not now self-sufficient in oil—and we have a government that hasn't the gumption or the backbone to seize the nettle, and agree it was an unscrupulous lust for power last fall and last January and February which made them lie and deceive the Canadian people into believing they had some solution other than the one we tried to approach in our budget. They should frankly admit that they codded the Canadian people, that they fooled the Canadian people, that they were ruthless in their lust for power and that now they have to do a 360-degree circle, that they have to increase oil prices and take other steps to cut down the huge imports. The Parliamentary Secretary to the Minister of Finance (Mr. Evans) admitted the other day

that the oil import subsidy scheme is going to cost this year, before the recent oil price increases, about $4 billion. Four billion dollars that the taxpayers are going to pay, not the consumers of the product that are eating this up and causing this deficit; the taxpayers, many of whom do not drive cars and are paying $4 billion this year.

• (1600)

Mr. Deputy Speaker: Order, please.

Mr. Crosbie: I am only getting started—to warm up.

Mr. Deputy Speaker: Order, please. It being 4 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

* * *

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I rise on a point of order. I want to refer to a comment I made earlier this afternoon when your colleague was in the chair. I gave what I considered to be notice of the intention of the government on June 27 at four o'clock to seek unanimous consent to proceed with second reading and all stages of bills to amend the names of constituencies. Your colleague in the chair at the time anticipated my comments somewhat and proceeded to make a House order to that effect or sought consent to make a House order to that effect. I have since been advised that is not the customary way to proceed on this routine matter, and so I ask hon. members to allow that order to be withdrawn—it was procedurally incorrect—and just take my notice that on June 27 at 4 p.m. I shall rise in my place and seek unanimous consent to dispense with all these bills, following which we will move into the business allotted for that day, June 27, motions.

Mr. Deputy Speaker: Is there unanimous consent to proceed as the parliamentary secretary has suggested?

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is agreeable. There was a discussion about the procedure and how we should handle it. The parliamentary secretary has made the proposal to the Chair in accordance with that discussion.

Mr. Knowles: Yes, Mr. Speaker, that was the way I understood it, namely, that it was an understanding and did not need to be made into a hard and fast House order.

Mr. Collenette: Mr. Speaker, I rise on a further point of order. Yesterday the parties held discussions on the question of the sitting of the House on Friday, July 4, which is a day on which the Liberal party will be meeting in convention in Winnipeg. As is the custom in the House, when the parties do have their conventions and these conventions are held on sitting days, the House does not sit. Therefore, in accordance with the agreement yesterday, and I would like to thank the hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for Winnipeg North Centre (Mr. Knowles) for their co-operation in this matter, I have given notice to the Chair, and I move the following motion:

That any division required on July 3, 1980 after five o'clock p.m. shall be deferred until 9.45 o'clock p.m. on July 7, 1980; and that, when the House adjourns on July 3, 1980, it shall stand adjourned until July 7, 1980.

Mr. Baker (Nepean-Carleton): Mr. Speaker, there were those discussions, and we understand the position of the party opposite. We were happy to see that the party is meeting in convention, and we hope that out of that convention will come some direction to what appears to us, at least at this point, to be a directionless government.

We think the party needs to get together, and therefore in the interests of the country, because the party opposite happens to form the government, at least for the time being, we are very pleased to give our consent.

Mr. Knowles: Yes, Mr. Speaker. Again I can confirm that there have been these discussions and that we have agreed to the terms of this motion. The hon. member for Nepean-Carleton (Mr. Baker) expressed some pleasure that the Liberal party would be holding a national convention. It is interesting that it plans to hold it in my city of Winnipeg. It is good that lots of notice is being given about this because, if that many Liberals turn up in the city of Winnipeg, it is going to be a very odd experience for western Canada.

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

Some hon. Members: Agreed.

Motion agreed to.

PRIVATE MEMBERS' NOTICES OF MOTIONS

[*English*]

CRIMINAL CODE

NATIONAL REFERENDUM ON CAPITAL PUNISHMENT

Mr. Girve Fretz (Erie) moved:

That, in the opinion of this House, the government should consider the advisability of holding a national referendum on the issue of capital punishment and, following such referendum, amend the appropriate sections of the Criminal Code to conform with the majority views of the people of Canada.

He said: Mr. Speaker, I am pleased to be able to address fellow members of Parliament today on the need for a public referendum on a subject which has been very controversial over the years. I propose a national referendum on capital punishment. I earnestly request those who have entrenched positions on this matter to give up the security of those positions so that the people may decide on a matter on which the wishes of the majority and those of its elected representatives differ.

I firmly believe that capital punishment should be retained for those who, with malice aforethought, take the lives of fellow human beings. Although there cannot be a one-issue general election, a particular question can be appropriate as the subject of a referendum.

Capital punishment is such an issue. Its importance is not denied, and yet it has been submerged during the two most recent federal election campaigns under other major and dominating issues. A referendum would cut across party lines in a way not possible in an election. In a democracy it is essential that the will of the people be followed in this life and death matter. It appears, however, that without a referendum on the subject there will not be a clear expression of the public will and no action upon it.

It has been evident from reliable public opinion polls that the majority of Canadians are and have been in favour of capital punishment. In spite of this fact it has been abolished.

In 1973 the polls showed that approximately 60 per cent of Canadians supported the death penalty. However, that same year 53 per cent of members of Parliament renewed the partial and temporary abolition bill. Members of Parliament seem to be more abolitionist than the people. In 1975 a Gallup poll indicated that nearly seven out of every ten Canadians favoured the death penalty. However, in 1976, by a free vote in Parliament, it was abolished.

In voting according to their conscience members did not represent the will of the people. The results of a Gallup poll released in November of 1979 showed that about 70 per cent of Canadians still were in favour of capital punishment for murder. Clearly, then, the will of the people has been and continues to be thwarted.

In the year 1972 a poll taken by the Canadian Institute of Public Opinion showed that almost two-thirds of Canadians felt that, where the views of a member of Parliament on an important issue are different from those of his constituents, he should vote in accordance with their views rather than his own. However, in a question such as this involving strong religious, emotional and moral aspects it is very unfair to expect a member of Parliament to represent the will of his constituents against the dictates of his own conscience. Yet if he does not, the democratic process is thwarted. This places the member in an impossible situation. In such a case the use of the referendum, a resort to direct democracy, is appropriate. Parliamentarians, guided either by conscience or by public opinion polls, cannot be fully representative of the will of the people as a whole in the matter. The only clear and democratic way for it to be decided is by a national public referendum. This would provide public access to the decision-making process and a decisive answer to this very important question.

● (1610)

If we are to believe the polls, then there is no question that the majority of Canadians want capital punishment restored, and that majority extends to every part of the land. It is not the majority of the east as opposed to the west, or Ontario versus Quebec, it is the will of our people, from St. John's to Vancouver Island. Capital punishment must be retained.

In British Columbia, a convicted murderer twice held hostages, and during one of these incidents, an innocent person was killed. In Alberta, a child killer was on short-term release, and another innocent child fell victim to him during that release.

In my opinion, the majority of Canadians are not convinced that abolition works, nor that the present law is effective. During the time capital punishment was considered law in Canada, the government used the cabinet's power of clemency to commute all death sentences. I would suspect that that would always be the present government's posture. That is their right! But there is a right greater than that of the cabinet. It is the right of the majority of Canadians to govern their own destiny. It is their right to help shape those laws under which they must live. It is their right to have their collective will imposed on us, their elected representatives.

Folk wisdom has it that those who would harm society expect to be protected by the very laws they break. Thieves are appalled when their own homes are burglarized; armed robbers are outraged to be the target of police bullets. But you cannot have it both ways. If you play the game, you have to be ready to pay the price, and if the price is your life, then you do not play that game. The ultimate penalty, death, will deter all but the most case-hardened criminal.

The standard argument against the imposition of the death penalty is that if we, as a society, allow capital punishment, we may allow an innocent person to die, and that person's blood will be on our hands. However, to the best of my knowledge, it has never been satisfactorily established that this has happened in Canada. I have faith in our judicial system and the built-in safeguards the system has to protect the innocent.

I fear that the fact there is even controversy over capital punishment is symptomatic of an illness that has befallen our society. It is my belief, and one shared by many Canadians, that we have allowed our society to become too permissive, that for too long we have spared the rod and spoiled the child. For too long, we have made excuses for deviant behaviour, and now we are reaping the bitter crop we have sown. One cannot pick up a newspaper these days without being assailed by story after story of juvenile delinquency, or armed robbery with violence, or the senseless destruction of public and private property. Those who willfully infringe on our laws must be made to face the music for their actions, especially if they transgress against the most precious of all God's works, a human life.

Let us consider the subject of deterrents. Who is to say how many persons have avoided committing murder because they feared the consequences? It is no argument against capital punishment to say that in places where it is still on the books there are just as many murders committed each year as in places where capital punishment has been abolished. The fact is that, where a hundred murderers are convicted but only one is executed, capital punishment is no deterrent because it is not enforced.

The threat of death is considered to be a strong deterrent among criminals themselves. This is the way gangsters and hoodlums assert and maintain their authority in the underworld. They apply death without mercy. Retribution is not a barbaric reason for punishing. It is the right reason, for only so can the community affirm, the moral order on which it is based, and citizens can be satisfied that justice is being done. Take that away and you erode society's faith in itself as a moral community where men are trusted to obey the laws and, if they disobey, are punished as agents responsible for their own actions.

The enforcing of capital punishment under proper circumstances upholds the dignity of man, and righly places a high value on human life.

An objection to capital punishment sometimes held in religious circles is that no one has the right to take human life except God. This area is related to the belief that the person who executes a criminal is as guilty of murder as the one he executes. If there is no secure instrument of justice, all law and order would soon end. That would be so if this is carried through to its conclusion. In that case it would be wrong for a nation to defend itself against an aggressor, it would be wrong for a city or province to maintain a police force. We would be defenceless, and no one would have the right to defend himself from the violence of evil men.

Some persons take the position that an individual who commits murder is mentally ill and should be institutionalized until cured. To overlook the possibility of mental derangement in one guilty of homicide would be wrong. But, to maintain, as some do, that every murderer is mentally ill, is to mishandle the truth.

Most forms of criminality are the result of a breakdown in morals, not emotions or mental imbalance. Others advance utilitarian objections. They say that capital punishment is not a deterrent to crime, so why employ it? This assumes that the first responsibility of our courts of law is to deter criminals in their actions. I question that. This ought to be one of the results of properly handled law courts. But the first obligation of law is to protect society and to punish wrongdoers. Should the courts take the position that they will not send car thieves to prison because people continue to steal cars in spite of the prison sentences meted out to car thieves? Of course not. The demands of justice are met first.

An equally wrong idea is that a prison sentence is sufficient punishment for murder. Where cold-blooded, premeditated murder is proven, a prison sentence with probationary periods is not punishment commensurate with the crime committed. Prisons should certainly be operated in as humane a way as possible, and prisoners should be treated as human beings, but punishment must fit the crime, or men will laugh at the courts and conduct themselves in society in any way they please.

Capital punishment is an emotionally charged issue, Mr. Speaker. It is my feeling that the question of capital punishment should be settled once and for all.

There are many precedents for the holding of a public referendum on capital punishment. In the United States, if I might cite a few examples, where criminal law in within state jurisdiction, public referenda have been held on this issue; in New Hampshire, Arizona, Ohio, Michigan, Oregon, Colorado and Massachusetts. In 1972, California voted by a public referendum to restore the death penalty.

● (1620)

In our nation we have asked the public for its view on two occasions: prohibition in 1898 and conscription in 1942. Capital punishment has been a bone of contention in Canada for many years. A national referendum on the subject would have the following advantages for Canadians. First, it would allow public opinion to be expressed clearly and provide a definite direction for Parliament by a process of direct democracy. Second, it would remove from a member of Parliament the unfair burden of deciding whether to vote against his own conscience. Third, in a democratic fashion it would finally resolve a problem that has been the cause of dissension and public argument for many years. Fourth, it would avoid the growth of resentment against the government and against Parliament by members of those groups in society that have struggled to be heard on this topic and have felt ignored. Fifth, it would renew the faith of the ordinary people in society in their ability to influence government decisions in a democratic way.

If the people indicate they want a change in the law, then I believe the Criminal Code should be amended to reflect that desire. I have expressed my own personal feelings on certain instances, that capital punishment should be brought back. I am hopeful this motion will be acceptable to the House. There is but one way to have the majority opinion heard; that is, by a national public referendum.

I hope the hon. member for Edmonton East (Mr. Yurko) will speak during this debate. He will also second my motion because he believes in abolition. We are both convinced that the people must decide.

Some hon. Members: Hear, hear!

Mr. Prud'homme: Will the hon. member permit a question?

Mr. Fretz: Yes, Mr. Speaker.

Mr. Prud'homme: I take for granted, having listened to the hon. member's speech, that this penalty is a deterrent. If such is the case, does the hon. member believe that in order to really deter, the penalty should be administered in public and not in private?

Mr. Fretz: Mr. Speaker, no, I do not believe it should be in public. I believe there is justice and there is dignity of mankind. There is no dignity in displaying the death penalty by killing someone in public. I believe it should be a dignified process.

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Mr. Speaker, indeed it is a pleasure to

rise to speak on this motion because I am absolutely opposed to it on two grounds. First, I am opposed to the subject matter of the motion which is on capital punishment. Second, I oppose the other aspect of the motion, the procedural matter at hand in the holding of a public referendum on a moral issue such as capital punishment.

I want to briefly talk about the subject of capital punishment itself. On May 5, 1976, I rose in my place, as did many members of this House, on second reading debate of Bill C-83, a bill to abolish capital punishment. You may remember that, Mr. Speaker, because you were here. Perhaps this was not the first time a government bill had been introduced to actually abolish capital punishment without qualification. Prior to that there was a five-year suspension, but it kept coming up for extension. It was a very emotional time for all of us in the House of Commons. Indeed, I would say that to vote a few days after, in May or June of 1976, I had to make what was probably the toughest decision I have ever made in my life. It was tougher than deciding to enter public life, to get married or to have a family, because there was no doubt in my mind there.

On the question of capital punishment we are dealing with the right of the state to take the life of an individual. It is my contention, and I will not repeat all the arguments I made on May 5, 1976, that the state is a very omnipotent force. The authority and power of the state must be checked at every turn. Indeed, that is why we have Parliament and the adversary system of the British parliamentary system, so that the actions of government can be looked into at every turn and scrutinized, if that is the correct way of putting it. The state can abuse its power. As we saw in the early 1970s in the United States, the institution of presidency was used to abuse power. I think there is a good record of keeping the authority of the state under control in the British parliamentary system.

Without going into all the arguments, once the state has the right to take the life of an individual for a crime of murder, theoretically the state could use right to take the life of an individual for other infractions, as may be deemed appropriate by the legislature or by Parliament.

For example, in many Latin American countries, and just recently in Iran, we have seen the state taking the lives of individuals not in retribution for murder, but for crimes against the state. This was done in the 1930s in the Soviet Union at the time of the famous purge trials under Stalin. We are a long way from the climate which existed last year and which perhaps exist in Iran today, and the conditions which existed in the Soviet Union in the 1930s. When we look around the world we find that Canada is one of the few sane havens where the rule of law is upheld, where the rights of an individual are respected. I for one do not want the state ever again to have the right to take the life of an individual. I am not talking about war, because that is a different matter. That is a matter of self-defence and collective action of the state to declare war to defend its own interest. I will not go into that debate today.

I am absolutely opposed to the question of capital punishment being introduced once again in this Parliament. It was disposed of in 1976. As long as I sit in this parliament, and as long as I live, I hope we will not return to those days when we had capital punishment on the books.

More specifically I want to deal with the procedural matter of having a referendum on a moral issue. The suggestion in the motion of the hon. member for Erie (Mr. Fretz) really strikes at the heart of parliamentary democracy. In case anyone thinks I will argue against referendum being used nationally on constitutional issues or the referendum used in Quebec, let me qualify my comments. The British parliamentary system has served this country, Great Britain and many other countries very well over the years. I should like to quote that great Conservative philosopher, Edmund Burke, who believed in the fiduciary role of a member of Parliament.

Mr. Pepin: He was not really very Conservative.

Mr. Collenette: The Minister of Transport (Mr. Pepin) said that he was not very Conservative. For me to quote him I suppose he must have had a few Liberal streaks in him.

An hon. Member: He was an Irishman.

Mr. Collenette: Well, I have Irish blood, so that is good; I feel at home. In the latter part of the eighteenth century, or at the beginning of the nineteenth century, Mr. Burke made the statement to his constituents in Bristol that if they elected him as a member of Parliament, they were entrusting him to act on their behalf for the duration of that parliament. As one who was defeated last May, and one who voted for the abolition of capital punishment, my constituents had the right of recall in May of 1979. One could argue that some of the votes I lost in that election was due to the stand I took on capital punishment in 1976. Notwithstanding that, when the public makes electoral choices it chooses on a far greater range of issues, hence the fact that I am now back in the House subsequent to the 1980 election. The point I made is that one's constituents have the right, when an election is called, to question the actions of a member, not only as a representative of the government, but as a representative of the collective wishes of the people.

• (1630)

As one who paid the price last year, I am prepared to live with the concept expressed by Edmund Burke who believed that as members of Parliament we cannot run back to our constituents and poll all of them on every single issue at every moment, but that we have to use our own judgment.

My friend, the hon. member for Erie, who is usually quite reasonable and with whom I often agree, talked about an unfair burden. He wants to be relieved of the unfair burden of voting on capital punishment. I would suggest to him, with all due respect, that burden is the price a member of Parliament must pay if he is to be a good and active member under the British parliamentary system. I hope he changes his views as a result of this debate.

In January, 1979, the government introduced Bill C-9, for the establishment of referenda in this country. There was a heated debate. I spoke on January 29, 1979—in fact I have my notes in front of me—following the hon. member for Kingston and the Islands (Miss MacDonald) who led the opposition attack on the bill. In my speech I noted that the Conservative party was attacking the bill on the grounds that it undermined responsible government. I was speaking, of course, in the context of British parliamentary democracy.

I find it somewhat ironic when the official position of the hon. member's party attacks the concept of referenda, that he and many of his colleagues—perhaps some on this side as well—believe that referenda should be used on moral issues.

We on this side believe in the principle enunciated in Bill C-9, that the people of Canada should be consulted by means of a referendum on the structure of government and on constitutional matters. It is all very well to poll the people on their ideas about the laws by which we are governed, but when it comes to holding a referendum on moral issues I think we would not only be betraying our heritage but we could also unleash a very nasty spectacle in this country. I think of the spectacle of the riots in Paris in 1792 or the kind of venom we have seen on the streets of Tehran in the last year. I am not being anti-democratic or disrespectful of the public, but when collective behaviour occurs on emotional questions, that in a sense begs a more conservative approach to government—a more conservative approach provided by thoughtful, rational discussion in Parliament. When a question like capital punishment is put to the people directly emotions run high.

In 1976 there occurred the unfortunate death of a young shoeshine boy in Toronto. I remember the kind of feeling which permeated the calls that came into my constituency office. Some of the abuse I took was directly attributable to that horrendous crime.

In a sense the public acts irrationally when its passions are aroused. If we take this action in regard to capital punishment, then we may have to take the same action regarding abortion. The fireworks would go off then. If we are willing to condone the state taking a life for certain crimes and then hold a referendum on abortion, where do we go next? I have strong views on abortion as I believe it is a crime against an unborn child; it is ceasing life that exists, notwithstanding the fact that the baby has not technically been born.

Mr. Kelly: You are consistent.

Mr. Collenette: My friend, the hon. member for Scarborough Centre (Mr. Kelly) says I am consistent. Then there is the question of what we do about euthanasia. We may have to deal with this question within the next decade. Do we give authority to those who administer medical treatment to terminate that treatment upon the advice of a parent or next-of-kin? I believe we should not, and I think of Karen Quinlan who might still be alive. A person who is clinically still alive but is not functioning mentally is a life and that life must be respected. I do not think that I, as a member of Parliament or in the government as an agent of Parliament, should interpret what is almost the very metaphysical question of what is life and what is death. I think that is beyond our scope as legislators.

I seem to have rambled on, Mr. Speaker, but I just do not believe that the state should hold referenda on moral questions. We saw what happened in Italy a few years ago with the referendum on divorce. It nearly ripped the Christian Democratic party apart and I am sure the same thing has happened in other countries.

I for one object to the whole question of capital punishment and retribution for a capital crime, and I object to the procedure whereby a country would enact legislation calling for referenda on questions of moral conscience. I am therefore personally opposed to this motion.

Mr. Kilgour: Mr. Speaker, would the hon. parliamentary secretary accept a question?

Mr. Collenette: Yes, certainly.

Mr. Kilgour: Can the hon. parliamentary secretary imagine any murder, whether contract killing or one in particularly heinous circumstances, that would cause him to think that the perpetrator should forfeit the right to live?

Mr. Collenette: Mr. Speaker, this is essentially the qualifier that the former right hon. member for Prince Albert used. In other words, it is an escape clause. It is like the six-months' hoist clause on a bill. You get to third reading and then you chicken out and move that the bill be read six months hence.

That is what the late right hon. member for Prince Albert was referring to when he spoke in the debate in 1976. He was a life-long abolitionist who unfortunately, and I do not want to malign him, in his latter years changed his mind, using what I consider to be a very specious argument. He qualified his life-long opposition to capital punishment, for which he had, I think, admirable moral grounds. He said we should have capital punishment for acts against the Queen.

Basically that is what the hon. member for Edmonton-Strathcona is saying now. Maybe I am attributing motives to him, but in his heart he is probably an abolitionist and is grappling with the subject, looking for some kind of justification for capital punishment. To paraphrase the words of Mackenzie King, capital punishment if necessary, and vice versa. I would say to him categorically that in my mind there are no grounds whatsoever for capital punishment. I do not discount the fact that one might have to kill in war. That is a very separate issue which is not under debate at this time.

• (1640)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I too rise to oppose the motion which is before the House today. I note, in commencing, that I was pleased to see that the previous Conservative government took no steps whatsoever in the direction suggested by the hon. member for Erie (Mr. Fretz). At no time did they introduce legislation or, indeed, suggest that there would be any legislation introduced which would

provide for a referendum on the subject of capital punishment, or on any other subject. That approach on the part of the former Conservative government, in viewing the merits, is entirely appropriate.

I would like to deal with two aspects of the motion before the House today. The first is the matter of referendum itself, and the second is the substantive question of whether indeed, on the subject of substantive punishment, there should be a review of the decision which was made by this House in 1976. Dealing with the question of referendum itself, I question why on this issue, as opposed to so many other issues which might be conceivably raised in the public form, this member of the Conservative party is proposing a referendum.

I have no doubt whatsoever, if there had been a referendum, for example, on the subject of Petro-Canada and the Conservative's plan to dismantle that company, that some 75 per cent or 80 per cent of the population of Canada would have supported our opposition to that referendum. Yet, there is no suggestion by Conservative members of referenda on issues such as this, which are certainly of great concern to the people of Canada. There is no suggestion of referenda on issues which may go against the philosophy of the Conservative party.

I suggest that in attempting to have a referendum on this subject, whether one is an abolitionist or whether one supports capital punishment, one is engaging in an act of political cowardice. I do not use those words lightly. I suggest that because I believe, as the hon. member from Toronto has indicated, quite properly, that we have responsibilities in this House. Some of them may be difficult and at times the questions raised may be contentious, but we have responsibilities to take tough decisions on those contentious questions after having considered all aspects.

Had there been a referendum on certain other controversial subjects which the House dealt with, the results would have been very disturbing, indeed. Had there been, for example, a referendum at the end of the Second World War on the question of whether Canadians of Japanese extraction should be sent to Japan, I have no doubt historically that 75 per cent or 80 per cent of Canadians, in an emotional referendum on this subject and considering that they were just coming out of World War II, would have said yes. What a serious and disastrous error that would have been.

I have no doubt that in 1970, at the time of the imposition of the War Measures Act, when perhaps 85 per cent or 90 per cent of the Canadian population had they been asked whether they were in favour of the imposition of the War Measures Act and the Draconian curtailment of civil liberties which it entailed, would have said yes. Yet in retrospect many Canadians have come to realize that the imposition of the War Measures Act was a serious mistake.

Had there been a referendum taken at that time on the subject of the War Measures Act I have no doubt the majority of Canadians would have supported it. Fortunately, and I am very proud to be able to say, the New Democratic Party, and Tommy Douglas particularly, stood up at that time and said no. We were prepared to take a stand in principle on a subject, a stand which subsequently the then leader of the Conservative party, the Hon. Robert Stanfield, indicated he thought was the correct stand.

We must be very careful when we talk about the use of referenda as an abrogation of political responsibilities. I think we should also look at the history of referenda where they have been used. I would suggest that the possible consequences of a referendum on capital punishment are very serious indeed. What, for example, would be the situation if a majority of the people in the province of Quebec voted against the imposition of capital punishment, and a majority of the remainder of Canadians were to vote in favour?

Our criminal law must be uniform across the country, yet we would be in the invidious position of having that kind of regional division on a subject which is certainly of very great importance. We must accept our responsibilities as legislators in this chamber to deal with questions which may be complicated and controversial. Yet, were there to be a referendum, it could very easily tear the country apart through a kind of emotional outpouring that could result from regional divisions.

There is no suggestion that there would be any requirement in respect of majorities in each region of the country. There is no suggestion in the wording of this particular motion of what the wording of the referendum itself would be. Would the wording restrict capital punishment to cases of premeditated murder? Would it broaden capital punishment to certain other cases? What about those people who support capital punishment in certain circumstances and not in others? In other words, to word such a referendum in order that it have any meaning, would be virtually impossible.

It would not only be difficult to word such a referendum question, it could be a very, very divisive question in this country. One need only look at the conscription referendum in 1942, to which my friend has referred, as being evidence of the kinds of consequences which can result from a referendum in this country. That is an example which should never be repeated in Canada, on any subject whatsoever.

I say on the question of a referendum that, while it is certainly important that the views of the people of Canada be respected and that they be listened to, we have a responsibility within the atmosphere of this chamber, having heard all the different positions, both pro and con, and having had the opportunity to assess those in an objective fashion, as legislators, to make the final decision. In some cases that decision on questions which face the Canadian people will go in the face of what perhaps is at a particular time a majority sentiment in the country. But, surely, to suggest that a referendum at any given time should determine what legislation should be implemented in this country would be a very serious mistake. On the question of referenda, particularly on the sensitive subject of capital punishment, I would suggest it would be a serious mistake to implement the motion before the House today.

What about the substantive question attempted to be dealt with by the motion, the question of capital punishment itself? There was reference earlier in this debate to gangland murders in the underworld; gangland murderers use this kind of justice

themselves. Surely, it is not up to the representatives of the people of Canada to suggest that our code of criminal justice should be determined by the code of criminal justice as followed in the underworld. What kind of logic is that?

We must rise above that kind of logic if we are to deal in an objective and sensible manner with the real concerns of the people of Canada. Of course, the people of Canada are concerned about violent crime and about murder, particularly about premeditated murder. However, I suggest it is an artificial distinction, a distinction without any basis whatsoever, to suggest that a murderer, a potential murderer or a prospective murderer who is considering whether to carry out this deed, this contract killing if that be what it is, will say to himself: Well, I only face 25 years in prison if I am caught, so I won't carry through with that decision to murder.

That is the present penalty which first degree murderers face, 25 years in prison. It is completely unrealistic to say, now that the prospect of death has been abolished by Parliament, that 25 years behind bars, the deprivation of liberty for 25 years, the condemnation to prison for 25 years without parole, will not deter a person who is capable of any kind of deterrence whatsoever. It is simply not realistic to suggest otherwise.

I would point out that when capital punishment was abolished in 1976, that was the *quid pro quo;* in exchange for the abolition of capital punishment Parliament enacted first degree murder and second degree murder. The penalty for first degree murder is 25 years behind bars with no prospect of parole before the termination of that 25-year sentence. Surely, if anybody can be deterred from committing murder, that is sufficient deterrence. However, we have seen, and the evidence is irrefutable on this point, that capital punishment does not act as a deterrent.

● (1650)

My friend, the hon. member for Erie has mentioned mistakes being made. I am sure my friend would agree that one mistake is too many. He has said there is no proof that mistakes have been made in Canada. He couched his words carefully because he would know, if he examined this question, that mistakes have indeed been made, unquestionably, in other jurisdictions; for example, in England. No doubt he is aware of the notorious case in England when an innocent man was put to death, and there was no way of rectifying the terrible wrong that had been done.

I have a clipping which gives an example of the kind of wrongdoing and injustice which could occur, and has occurred, if capital punishment were permitted in this country. I have a clipping here from the Vancouver *Sun* of October 19, 1974. It relates to a teenager's confession to a 1973 killing which resulted in the release of a man imprisoned for life. The evidence disclosed that a gentleman convicted of murder on circumstantial evidence was sentenced to imprisonment for life, and subsequently a young teenager admitted that, in fact, he had committed the crime. He produced evidence that was absolutely incontrovertible, that he had indeed committed the crime. Had capital punishment been in effect, there would have been no remedy whatsoever. The person who had been wrongly convicted of murder would have been condemned to death.

In response to a question from a member opposite my friend said he is not in favour of public hangings because they are not dignified. I have great difficulty in my own mind in making the distinction between a private hanging, a private electrocution and a public hanging or execution so far as dignity is concerned. If my friend is suggesting that somehow it is a deterrent, that indeed we should go all the way and have public hangings, and perhaps various other punishments which would similarly deter, and in the past we have seen the kinds of punishments that have been used in an attempt to deter—

Mr. Deputy Speaker: Order, please. The hon. member for Erie on a point of order.

Mr. Fretz: Mr. Speaker, I believe the member is distorting what I had said. In no way did I suggest that this would result in a circus. I said there would be death with dignity and in no way suggested that there would be a circus.

Mr. Deputy Speaker: This is a difference in point of view.

Mr. Robinson (Burnaby): Some of the attempts which have been made in the past to deter murder include burning at the stake, boiling in oil or water, iron coffins, burying alive, breaking on the wheel, drawing and quartering, decapitation, impaling, hanging, crushing, flailing, shooting, exposure to insects, poisoning, throwing to animals, stoning, drowning, torturing, electrocution, asphyxiation, crucifixion and mayhem. Those are the kinds of attempts which have been made in the past.

Mr. Knowles: Everything but appointment to the Senate.

Mr. Robinson (Burnaby): My friend, the hon. member for Winnipeg North Centre (Mr. Knowles), says everything but appointment to the Senate. Of course, that is the ultimate indignity. Perhaps my friend from Erie might suggest that would be a suitable punishment for the most serious forms of murder.

Mr. Deputy Speaker: I suggest that reference to the other place in those terms is hardly parliamentary.

Mr. Robinson (Burnaby): Mr. Speaker, I intended no disrespect to members of the other place in saying this. I did not mean to suggest they may have been guilty of the crimes with which we are dealing today.

I would like to relate a story to the House told by a former member for Prince Albert, a former distinguished prime minister and leader of the Conservative party. This is the story recounted often:

> My great grandfather saw a boy hanged in Upper Canada for picking pockets in 1837. I think the boy was 17 years of age and everybody gathered for the public execution. Those Scottish people in North York turned up in large numbers.
>
> There was a great celebration, and during the ceremonies of the execution four of them had their pockets picked, which just indicates the argument that the fear

of capital punishment will greatly reduce the number of offences is not completely tenable, or indeed tenable at all.

This appeared in *Hansard* for May 1, 1972.

There are many other arguments against capital punishment; for instance, the discriminatory implementation of capital punishment, the use of capital punishment against the poor in disproportionate numbers, the kinds of mistakes that can be made in implementing capital punishment, and the fact that there are those who seek glory. I am thinking of the Gary Gilmores of this world who, if capital punishment existed, would murder for that purpose itself.

There are many reasons why some on this side of the House oppose not only capital punishment but also the political cop-out of a referendum on this question.

In closing, I say that we oppose this motion. We oppose the use of referenda on questions such as this. We oppose the use of capital punishment. We believe that the value of life in this society has to be respected by all citizens, and that surely includes representatives of the people.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am more than happy to rise to speak to this motion.

An hon. Member: A point of order.

Mr. Deputy Speaker: Order, please. With due respect, there is a procedure under which members are recognized in this place, and the Chair is bound to respect that procedure. The Parliamentary Secretary to the Minister of Finance (Mr. Evans) has the floor.

Mr. Evans: Like the two members before I oppose capital punishment. I do not agree with this motion and will not in any way, shape or form vote for a motion that does allow a return of capital punishment in Canada.

I think the two hon. members who spoke before me have indicated quite clearly the kinds of problems that arise when a referendum is used to settle moral issues in the country. The referendum in the province of Quebec, which was resolved on May 20, at least for the time being, would indicate the divisive effects a referendum can have. Certainly referenda on issues as emotional as the death penalty and abortion will have divisive and long-lasting effects.

I would not want to repeat what other members have said before me. However, I would look at some of the statistics available to us that are relevant to the effects of capital punishment as a deterrence to capital crimes, or what used to be called capital crimes. If we look at that evidence and relate the rate of homicide to 1974, the time when the death penalty was abolished in Canada, to subsequent periods—in fact, relate it to information as recent as 1978—we will find that the rate of homicide in 1978 was the lowest it had been since 1974. Indeed, in 1974 the rate of homicide was 2.46 per 100,000 population, and in 1978 it was 2.62 per 100,000 population; in the interim it had increased. It has fallen since then. It is now the lowest it has been since 1974.

If one breaks homicide down into the various forms of murder; for instance, premeditated murder, manslaughter, infanticide and so on, we find precisely the same pattern. There is no evidence whatsoever, that is statistically valid, which would indicate that the abolition of capital punishment in this country has led to a higher incidence of murder, or other forms of death, whether they be homicide, infanticide or manslaughter. As a result, if the basis of the argument is deterrence, there is no evidence to support the case.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

[*Translation*]

It being five o'clock, pursuant to Standing Order 2(1), the House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 16, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST AGENCY STOP PROPOSED SALE TO PIRELLI OF CGE PLANT—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Canadian General Electric has announced its intention to phase out the building wire and power cable operation at its Peterborough plant, a decision which would lead to the loss of some 300 jobs in Peterborough. Some of the employees who would lose their jobs have more than 40 years' experience at CGE.

In the light of a petition signed by 3,655 employees and friends, and because the company which has offered to buy the wire and cable equipment from CGE, Pirelli Cables Limited, is a foreign-controlled company, I would move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence):

That the government, through the Foreign Investment Review Agency, stop the sale to Pirelli so that the jobs at Canadian General Electric in Peterborough might be safeguarded.

Madam Speaker: Under the terms of Standing Order 43, such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

STUDY ON PENSIONS—REQUEST FOR INTERIM REPORT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. The Minister of Veterans Affairs (Mr. MacDonald) has informed this House that veterans' pensions are being studied as part of a larger pension review by the Department of National Health and Welfare. I would therefore move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House require that the Minister of Veterans Affairs bring in an interim report on veterans' pensions and that the minister assure the House that any Veterans Affairs legislation be separate from a Health and Welfare omnibus bill, and that the resultant pension increases be retroactive to the date of the introduction of Bill C-28 in the Thirty-first Parliament.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

CONDEMNATION OF APARTHEID IN SOUTH AFRICA—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise, under the provisions of Standing Order 43, on the occasion of the fourth anniversary of the courageous struggles against apartheid which took place in the black township of Soweto near Johannesburg, South Africa.

In view of the fact that hundreds of schoolchildren were killed in the terrible repression which ensued, and in view of the South African government's continuing denial of basic human rights to its citizens, I would move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House express its support for all those struggling against the evil system of apartheid in Soweto and throughout South Africa; and, further, that this House unequivocally condemn the government of South Africa for its policies of repression.

Madam Speaker: Such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

EXPULSION OF MEMBER OF NEW DEMOCRATIC PARTY IN NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. The executive of the New Democratic Party in Nova Scotia has expelled from membership Paul MacEwan, a member of the provincial

legislature for Cape Breton Nova, for expressing his opinion respecting a communist element in the New Democratic Party. I would therefore move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House condemn the actions of the New Democratic Party for expelling from membership a duly elected representative of the people, without benefit of a fair trial, for exercising his right to freedom of speech.

Madam Speaker: Such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

MARINE TRANSPORT

RELEASE OF TECHNICAL INFORMATION IN SHIP SAFETY INSPECTION REPORTS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise on a matter of some pressing urgency. In view of the fact that technical information contained in a variety of ship safety reports is often withheld from certain parties involved in the efficient and safe operation of our marine transport, concerned that withholding of such information hampers the implementation of better safety methods, and in light of freedom of information pressures which are currently in front of us, I move, seconded by the hon. member for South West Nova (Miss Campbell):

That the government immediately renew its policy and methods for the release of technical information contained in ship safety inspection reports to safety committees of unions representing officers and crew and management, since it could be incorporated in the curriculum of a jointly sponsored industry and labour seamen training school to be opened at Morrisburg, Ontario, later this summer and significantly assist in the safe operation of our ships at sea.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CULTURAL AFFAIRS

OPERATION OF DISCOVERY TRAIN THROUGHOUT 1981—MOTION UNDER S.O. 43

Mr. Keith Penner (Cochrane): Madam Speaker, I rise under the provisions of Standing Order 43 seeking unanimous consent for the following. In view of the fact that we are in the process of renewing our federation, it is imperative that the people of Canada continue to be aware of their rich heritage. I therefore move, seconded by the hon. member for Laval (Mr. Roy):

That this House urge the Secretary of State to take all the steps necessary to ensure that the Discovery Train will continue to function for another year, namely, throughout 1981.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN TRANSPORT COMMISSION

HEARINGS ON BRANCH LINE ABANDONMENT—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing importance under Standing Order 43. I hope to receive unanimous consent, because this motion will save the government considerable amounts of money.

Whereas hearings before the Canadian Transport Commission are costly and time-consuming to the government and to the people, whereas the Canadian Transport Commission holds a hearing on every application for rail abandonment made by the railways if it is contested, and whereas on some of these lines which the railways want to abandon there are functioning grain elevators, coal deposits and other essential products which will require rail service in the future, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That where a branch line contains functioning elevators or has coal deposits or other essential commodities which will, beyond a shadow of a doubt, require rail service, the Canadian Transport Commission reject the application without a hearing.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

ESTABLISHMENT OF AUTO PLANT IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that Canada is not getting its fair share of investment or jobs in the North American automobile industry, and since massive inroads by foreign imports are being made into Canadian and United States auto markets, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That the Government of Canada begin immediate discussions with the Japanese government and auto makers with a view to establishing an auto plant in

British Columbia which could, within the terms of the existing U.S.-Canadian auto pact, serve both western Canadian and western American markets.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

GASOLINE—USE THEREOF BY NON-CANADIANS—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise under the provisions of Standing Order 43. The latest Statistics Canada figures show that in April, 1980, 1,000,180 American motorists came to Canada for trips of less than one day, representing a 53 per cent increase over April, 1979.

Given that these motorists most assuredly are coming to Canada primarily to fill up with our taxpayer-subsidized gasoline, representing a cost to the Canadian taxpayer of in excess of $100 million per year, and given that foreign airlines, truckers and ship owners most assuredly are doing the same thing, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House request that the Minister of Energy, Mines and Resources make a statement on motions as to the best estimate of gasoline and other transportation fuel leakages across the border, the cost of these to the Canadian taxpayer, and the government's plans, if any, to deal with this situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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OLYMPIC GAMES

CALL FOR PROGRAM DISCOURAGING PARTICIPATION IN MOSCOW GAMES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 to put before the House a matter of urgent and pressing concern.

In view of the fact that this government delayed announcing its support of the Moscow Olympic Games boycott for almost three months in order to assess international support for such boycott, and since Canada did not join that boycott until some 53 other nations had already made such a decision, it seems strange that the Prime Minister (Mr. Trudeau), in an interview on Europe-One Radio yesterday, was heard to criticize the boycott as being too little, too late. I therefore move, seconded by the hon. member for Simcoe South (Mr. Stewart):

● (1415)

That this House impress upon the Prime Minister that the effectiveness of the boycott could be increased by this government embarking upon a direct and positive program of discouraging participation in the Moscow games.

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Mark MacGuigan said "No".

* * *

HOUSE OF COMMONS

RETURN OF CLERK OF THE HOUSE AFTER ILLNESS

Madam Speaker: Before the question period begins, I am sure that hon. members will want to join me in expressing our delight at seeing Dr. Koester back in his chair.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATIONAL ENERGY BANK—FUNDING THEREOF—NATURAL GAS PIPELINE TO ATLANTIC CANADA

Hon. Bill Jarvis (Perth): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, perhaps I could put these questions quite appropriately to the Minister of Finance.

The Minister of Energy, Mines and Resources, on the national television program "Question Period" on the weekend, indicated that he had put forward an energy offer which had "identical conditions to those carried in the Conservative budget of December 11".

While one would be very hard pressed to find anything identical between a three-month price proposal and a four-year energy package, nevertheless I might ask the Minister of Finance if his colleague's proposal included the funding for a national energy bank, remembering that our December proposals included the four-year funding of $1.7 billion for this very important institution.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I am certain in replying to the hon. member that the proposal which the Minister of Energy, Mines and Resources made was not as comprehensive as the total package in the December budget, including the energy bank.

An hon. Member: You said it was identical.

Mr. Jarvis: One finds it difficult to find anything identical if it is not as comprehensive. I should like to go on to elicit from the minister just how comprehensive was the proposal of the Minister of Energy, Mines and Resources.

The national energy bank, with funding of $1.7 billion, obviously provided a viable vehicle for any number of energy-related projects. In our proposal, one of these included financial assistance for rapid and urban transit. Perhaps the Minister of Finance can tell us whether his colleague's proposal, put, I believe, by telephone late last week, included a commitment to funding rapid and urban transit?

Mr. MacEachen: Mr. Speaker, I want to be fair to the hon. member and be as accurate as possible. I have not been involved in the negotiations—

An hon. Member: Nor has Marc Lalonde.

Mr. MacEachen: —but from my information, the proposal was an interim one with respect to several months, and it related to the price arrangements which would take place within that period. It was not to be an over-all settlement including all the parameters which the hon. member included in his two questions.

Mr. Jarvis: Madam Speaker, I want to be as fair to the Minister of Finance as he indicates he wishes to be to me. But when one is as dogmatic as is his colleague in saying the proposal was identical, it is necessary for us to find out in what respect it even faintly resembles our December package.

May I ask, in a supplementary to the minister—because it is a matter which I know touches him very personally—about the former government's commitment to the financing of a gas pipeline from Quebec City through to Atlantic Canada, remembering the necessity for National Energy Board concurrence on which our proposal was based. Given NEB concurrence, did his colleague propose last week the financial commitment to assist in the extension of a natural gas pipeline from Quebec City through to the maritimes given, as I said, NEB conditions being fulfilled?

Mr. MacEachen: Here again, the hon. member is introducing another element into the questioning with respect to a proposal intended to provide for an interim solution on the pricing side. Inasmuch as the hon. member has raised the question of the gas pipeline, as he knows, it is part of the energy strategy of the Government of Canada. It was referred to in the Speech from the Throne and continues to be a commitment of the government pending, of course—

● (1420)

Mr. Jarvis: A financial commitment?

Mr. MacEachen: —resolution of the difficulties put forward by the National Energy Board and the concerns and reservations, for example, raised by the Premier of New Brunswick.

CABINET AUTHORIZATION OF ENERGY PRICING PROPOSALS

Hon. John C. Crosbie (St. John's West): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, and in the absence of an energy policy, I should like to ask the Acting Prime Minister a question.

Is it correct that before the Minister of Energy made an offer to the government of Alberta to do with energy pricing, it had the authorization of cabinet? Did cabinet authorize the Minister of Energy to offer a duplicate of the near-agreement between the former Clark government and Alberta, as the Minister of Energy told a news conference last week? Did you authorize the minister to offer a duplicate copy of that near-agreement, or not; and, if not, why is the Minister of Energy pretending that you did and that he did?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the negotiations undertaken by the Minister of Energy, Mines and Resources—

Mr. Nielsen: What negotiations?

Mr. MacEachen: —were authorized by cabinet. They are not yet completed. As I understand it, it is the intention of the Minister of Energy, Mines and Resources to meet with his counterpart this week to continue the negotiations. It is not my intention to reveal the instructions which have been given—

Mr. Nielsen: He has.

Mr. MacEachen: —with respect to negotiations that have not yet been completed.

Mr. Crosbie: Did the Minister of Energy, Mines and Resources, on behalf of the government, include in his offer to Alberta that the government wished to encourage a substitution of gas for oil, and therefore the prices for gas would be calculated at 65 per cent of the commodity value of oil to make it possible for a gas pipeline to go from Montreal, to Quebec City, to the maritimes?

Did the minister indicate to Alberta that the government would compensate the maritime provinces for additional costs of electricity generation resulting from oil price increases in excess of $2 per barrel per year? As was the case with the Clark administration, were these two features included in the agreement offered to Alberta by the Minister of Energy, allegedly on behalf of the Government of Canada but about which the Deputy Prime Minister does not appear to know anything?

Mr. MacEachen: Madam Speaker, I repeat my answer: these matters are presently under negotiation. The hon. member for St. John's West is asking me to confirm a variety of items that may be included in the negotiations. I think that is not a very good practice. It certainly was not the practice that he followed—and quite rightly—prior to the negotiations which were not quite terminated by the government to which he belonged.

ECONOMIC COUNCIL OF CANADA

CHAIRMANSHIP OF COUNCIL ALLEGEDLY OFFERED TO NON-CANADIAN

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance in his role as Deputy Prime Minister. No doubt the minister will recall that the Prime Minister was very active in the recent election campaign in promising Canadians that if the Liberals formed the government, there would be an extension of Canadian control over our own economy.

In this context, can the Deputy Prime Minister explain why the government has now offered the important position of the chairmanship of the Economic Council of Canada to a man who is both an American citizen and is publicly on record in favour of extending American ownership in Canada?

Mr. Baker (Nepean-Carleton): That is Evans' influence.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot confirm or deny that any such offer has been made by the Prime Minister to the man in question. As the hon. member knows, the Economic Council reports to the Prime Minister, and I have no knowledge with respect to any such overture.

• (1425)

Mr. Broadbent: Madam Speaker, I thought that probably the Minister of Finance from time to time spoke to the Prime Minister, but it is clear that is not the case.

An hon. Member: Nor with the Minister of Energy.

Mr. Broadbent: I thought he was concerned about the fate of the Economic Council of Canada. Since the gentleman in question, less than two years ago, wrote a paper entitled "How about an economic deal with the United States?", and in that paper said he favoured the rules for FIRA being changed so that capital investment and ownership of American origin would no longer be included within its framework of responsibility, and given the government's alleged commitment to get more Canadian control over our own economy, does the minister think it would be wise to appoint a man with these views to such a crucial position?

Mr. MacEachen: Madam Speaker, quite apart from the question of economic nationalism, I find it strange that the leader of a democratic party in a democratic country would begin to test the opinions of any individual as to his acceptability for appointment to any public office. This is a form of censorship in which this party has never indulged.

Some hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, not only would the vast majority of Canadians see such a statement as absurd, but I believe the Minister of Finance knows it is absurd. Since it is on record that Mr. Beigie is in favour of extending American control over our economy, and he is also on record as believing we have moved too far toward achieving economic equality in Canada, does the Minister of Finance really want us to believe that a man with such, quite literally, reactionary views ought to have this key position?

Some hon. Members: Oh, oh!

Mr. MacEachen: Madam Speaker, I really am amused at this particular line of questioning. The hon. member first infers that a particular person is to be appointed to the Economic Council of Canada—something that has not been confirmed or has taken place—and then he went through a censorship test as to his views.

An hon. Member: Oh, come on.

Mr. MacEachen: I am glad the public can see how the minds of members of the New Democratic Party really work.

Some hon. Members: Oh, oh!

* * *

ENERGY

INQUIRY WHETHER ENERGY TAX CREDIT AMONG PROPOSALS ON OIL PRICING AGREEMENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is also directed to the Deputy Prime Minister and Minister of Finance. It relates to the comments of the Minister of Energy, Mines and Resources on the increases in oil prices, particularly as they apply to the consumers in this country.

The Conservative energy agreement included an energy tax credit for those with lower and middle incomes, which would have helped offset the increase in the per barrel price of oil at the wellhead. This would have meant a $240 annual tax credit for a family of four, for example, or $80 for a single, elderly woman. I would like to ask the minister: if the Liberal energy package proposal is identical—as the Minister of Energy said yesterday—will the minister, in his role as Minister of Finance, confirm that there is a similar tax break included in the Liberal package to the one which was in the Conservative package for those with lower and middle incomes?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe it would be a mistake for the hon. member to conclude that the Liberal energy package is identical to the package which she has mentioned as having been the package of the former government.

What I understand to be the statement of the Minister of Energy, Mines and Resources is that he had proposed a particular pricing arrangement to the province of Alberta for an interim period of several months. That is the aspect of the arrangement to which I have been referring.

If the hon. member would like me to make a general comment about the question of equity, it certainly would be my intention, as Minister of Finance, to avoid the inequities which were so prevalent in the Conservative budget. Indeed, that would be one of my main aims in bringing down a budget.

Mr. Crosbie: Just like de-indexing.

Miss MacDonald: Madam Speaker, we on this side believe that helping the poor is not an inequity, and I hope that the minister would take that into consideration. I would like to ask the Minister of Finance a further question with regard to the statement made yesterday by the Minister of Energy, Mines and Resources on the phasing-out of the subsidization of imported oil to the east coast—a part of the country which the Minister of Finance knows well.

The Minister of Energy, Mines and Resources stated that, rather than getting the subsidization of imported oil out of general revenue, it will be paid for by the consumer out of the price he or she will pay for gasoline in Vancouver, Thunder Bay or Halifax. If the Canadian consumer will have to shoulder the cost of this $3 billion subsidy, can the Minister of Finance tell the House how much of an increase it will mean to the consumer in the price of a gallon of gas at the fuel pump or for a gallon of home heating fuel? If that $3 billion is being phased out, what will it mean to the ordinary consumer?

Mr. MacEachen: Madam Speaker, the hon. member will recall that I intimated in my economic statement in April that one of the intentions of the government was to establish a blended price. Depending upon the phasing in of that blended price, obviously the oil import compensation program would be phased out.

However, the hon. member ought to bear in mind that one of the objectives of the government is still to maintain a single price for Canadian consumers, so that consumers in the Atlantic provinces would not be asked to bear a greater burden than consumers in any other part of Canada.

Mr. Clark: How high a price?

Miss MacDonald: Madam Speaker, my final supplementary question is to ask the Minister of Finance whether or not the statement made by the Minister of Energy, Mines and Resources yesterday, that the phasing-out of the $3 billion oil subsidization program would be borne by the consumer is, as he stated, government policy. If so, how much will it mean to the consumer in the way of an increase in the price of a gallon of gasoline and home heating oil?

Mr. MacEachen: Madam Speaker, it is obvious to the hon. member, as it was obvious to the former minister of finance, that any increase in the price of oil in Canada is bound to involve a reduction in the oil import compensation program.

The purpose of the blended price was to share that burden among the various components of the market and to ensure that the same burden would be borne by all consumers in Canada. The point seems to have escaped—and, I think, honestly so—some of those who have expressed concerns, that we intended to ask consumers in the Atlantic provinces to bear no additional burden. It will be a single price for all Canadians.

Miss MacDonald: It is a single price now.

Mr. MacEachen: The hon. member also asked me what will be the increase in the price of home heating oil or gasoline at the pump. That will depend on the results of the pricing agreement and when we know what the increases in the price of oil will be in Canada.

OIL PRICING PROPOSALS SUBMITTED TO ALBERTA

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister. It relates to some of the questions which were asked earlier this afternoon.

Last week, officials of the Department of Energy, Mines and Resources went out of their way to impress upon the media in the west that the present government had made an identical energy package proposal to the government of Alberta as the proposal made by the previous Clark administration. This was confirmed yesterday on television by the Minister of Energy, Mines and Resources. For the benefit of the Prime Minister, I will quote the Minister of Energy, Mines and Resources exactly. He said:

> I did put forward another offer . . . which would have put into effect identical conditions to those contained in the Conservative budget of December 11.

A few minutes ago, as the Prime Minister entered the House, the Deputy Prime Minister said that it would be a mistake to conclude—

Madam Speaker: Order, please. I think it is time for the hon. member to come to his question.

Mr. Lawrence: My question to the Prime Minister is: in view of what the Deputy Prime Minister just said, namely, that it would be a mistake to conclude that the same proposals were put, somebody is either lying—

Some hon. Members: Oh, oh!

Mr. Lawrence: —outside of the House or—

Madam Speaker: Order, please. We have just had an indication that it is much better to come quickly to the question. If the hon. member does not put his question very rapidly, I shall have to give the floor to another member.

Mr. Lawrence: Madam Speaker, I was trying to bring the Prime Minister up to date because obviously he did not hear the Deputy Prime Minister this afternoon. My question is: someone is not telling the truth. The government cannot have it both ways. One or the other is right. Which one?

Madam Speaker: Order, please. That seemed to be a statement and not a question. Please ask the question.

An hon. Member: He just did.

Mr. Lawrence: My question to the Prime Minister is: which one of these two ministers is telling the truth?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not read what the Minister of Energy, Mines and Resources said over the weekend, and I was not in the House when the Deputy Prime Minister asnwered the previous questions.

It seems to me, from my acquaintance with what the minister said to some of his colleagues last week, that he intended to propose an interim settlement with regard to price which would have had the same effect, in an interim fashion between now and October, as that of the previous Tory budget.

Mr. Clark: That is not what Marc Lalonde said.

Mr. Trudeau: I am told by the Leader of the Opposition that that is not what was said.

Mr. Clark: Would you like the transcript?

Some hon. Members: Oh, oh!

Mr. Stevens: You don't like the truth.

Mr. Nielsen: Weasel around that one.

Mr. Trudeau: Madam Speaker, I can assure you that we on this side do not intend to break the tradition of the line dividing us.

Mr. Andre: It is a piece of paper, not a sword.

Mr. Trudeau: There are some very useful pages over there who would be happy to bring the piece of paper to me.

Mr. Nielsen: We do not do acrobatics from our seat, either.

Madam Speaker: Order, please. I wish we would resume the question period in the usual fashion.

Mr. Trudeau: I think the hon. member will understand that it is difficult for me to answer the previous question since I did not hear the answers which were given in the first half hour of this question period. Therefore, I cannot see the contradiction which the hon. member says that he sees. I would imagine that the contradiction is a matter of debate, and debates are always in order but not during question period.

Mr. Lawrence: Madam Speaker, I would point out to the Prime Minister that the so-called tradition he speaks about has more to do with pointing a sword than with crossing the floor. In any event, what I was attempting to do when you cut me off before, Madam Speaker—

Some hon. Members: Oh, oh!

● (1440)

Madam Speaker: Order, please. If the heckling does not stop it will encourage the hon. member to prolong his question, and I should like him to be brief.

Mr. Lawrence: Madam Speaker, my supplementary question relates to the words "identical proposals" in the transcript—the Prime Minister has now had a chance to read it—of what was said on national television over the weekend. That is clearly wrong, and I want to find out from the Prime Minister whether he believes it is clearly wrong as well, and whether he rebuffs his own minister for saying something like that on national television when he should not have done so.

Mr. Trudeau: Madam Speaker, my previous answer, on the contrary, did not rebuff the minister but used the very same words that I now see in the television transcript, that the minister was talking about an interim agreement which would have had the same effect with regard to prices between now and October.

Mr. Lawrence: Identical conditions: it does not say prices.

Mr. Trudeau: All right. The whole point is that it is not the energy package that we have been trying to negotiate and will continue to try to negotiate. It is an interim settlement between now and October which was proposed by the minister.

Mr. Crosbie: Where is he? Bring him in.

Mr. Trudeau: Madam Speaker, there seems to be lack of unanimity on the other side.

An hon. Member: Where is he today?

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REGIONAL DEVELOPMENT

FUNDING OF DONKIN COAL MINE IN CAPE BRETON

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, we in this corner will not try to take part in the Pierre, Joe and Allan show. It is ironic to us that they have an identical policy. My question is for the Prime Minister, who may be aware that this weekend, in Halifax, the Premier of Alberta—

Some hon. Members: Question.

Mr. Waddell: I will get to my question in a minute. In Halifax, this weekend, Premier Lougheed announced that the Alberta Heritage Fund is willing to finance the Donkin coal mine in Cape Breton by providing ten times the financial backing offered so far by the federal government, which is some $300 million.

My question to the Prime Minister is a serious one. Would he care to say what the long-term implications are for confederation and for the principle of regional equality if the federal government continues to renege on its responsibilities for regional development, and allows the Alberta Heritage Fund to emerge as having the real decision-making power over which Canadian projects receive financial backing and which do not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the government would take objection to the use of the

word "reneging" in the question of the hon. member. We have made various proposals to the government of Nova Scotia over some months, and we are not reneging on any of them. We have offered to participate in certain ways in the development of infrastructure and resources in Nova Scotia, and these offers still stand.

Mr. Waddell: A supplementary question, Madam Speaker. Perhaps some people in Nova Scotia consider it reneging if Alberta is going to finance the project, even if the Prime Minister does not.

Let me put this supplementary question to the Prime Minister. Instead of focusing on pricing, as we have been doing with oil pricing in the House for the last month, or fighting the last election as the party to my right seems to be doing, has the Prime Minister focused on the distribution of the projected increase in oil prices? Has he had any discussion with his provincial colleagues about the establishment of a joint federal-provincial fund to invest in alternatives to oil, like the Donkin coal mine and other alternatives? Has he had those kinds of discussions with his provincial counterparts?

Mr. Trudeau: Madam Speaker, the essence of the energy package being developed by the minister, and put forward by the government, is precisely to have a price structure and revenue structure which would permit the federal government to ensure that energy and other products in other projects in other parts of the country can be proceeded with, particularly such things as pipelines to Quebec and the maritimes. This is in order to permit substitution for the consumption of oil by the consumption of gas, other projects which have energy-saving capacity, and so on. This is very much part of the energy package and I am grateful to the hon. member for giving us the occasion to bring that out.

The point the minister has made repeatedly is that the consuming provinces cannot expect to see these various projects proceed if all the revenue is to remain in the hands of one province and of the multinationals, rather than being channelled through the federal government into projects for the benefit of the whole country.

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AGRICULTURE

REQUEST FOR HEARINGS ON ESTABLISHMENT OF NATIONAL POTATO MARKETING AGENCY

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, my question is directed to the Minister of Agriculture. In view of the apparent general support among potato growers for the concept of a national potato marketing agency, will the minister ask the Farm Products Marketing Council to initiate public hearings this summer in order to move toward that objective; and if they will not do that, will the minister immediately establish a commission of inquiry, on an urgent basis, to look into the potato industry in Canada?

Mr. Nielsen: The "eyes" have it!

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have had discussions with the National Farm Products Marketing Council about hearings being held to inquire into the potato industry.

I believe I can safely say that hearings will be held this summer on the proposals, especially by the provinces of Prince Edward Island and New Brunswick, that a regional agency be established for the eastern production region of Canada, including Ontario, Quebec, Prince Edward Island and New Brunswick.

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PRIVACY

ABUSE OF SOCIAL INSURANCE NUMBERS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the President of the Treasury Board. The minister has stated in this House that the Privacy Commissioner looking into the abuse of social insurance numbers is due to make her report some time in August of this year.

In the meantime, would the minister tell the House if he is aware that certain unions are using the social insurance number on mailing labels which are readily accessible to anyone handling these items of mail? Would the minister also tell the House if he is prepared to put a stop to this unauthorized and flagrant abuse of what is supposed to be a confidential number?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am not aware that unions are using these social insurance numbers on mail, but I shall look into the matter. I should indicate that at the request of the Privacy Commissioner we are conducting investigations within government to ensure that SIN numbers are used in accordance with the law.

Mr. McDermid: A supplementary question, Madam Speaker. Specifically, would the minister look at the UAW solidarity brochure? Union members are coming to me, saying they are very concerned that their name and social insurance number appears on this brochure. Will the minister approach this union and ask them to stop using the social insurance number on mailing labels?

Mr. Johnston: Madam Speaker, I think the matter should be drawn to the attention of the Privacy Commissioner, and I shall do so. As the hon. member knows, the Privacy Commissioner is looking into the use of social insurance numbers in the private sector, and I shall ensure that this matter is brought to her attention.

PUBLIC SERVICE

REOPENING OF NEGOTIATIONS WITH CLERICAL AND REGULATORY GROUP

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the President of the Treasury Board. As the clerical and regulatory group of public servants, numbering some 47,000, have not had a contract with the federal government since November 11, would the minister indicate what attempts are being made by his office to reopen negotiations with this group in order to avert the necessity of going to the conciliation board and possible strike route?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as I have indicated in this House in the past, our door is always open when it comes to negotiations. We have attempted to bring the parties back to the negotiating table, which we did some time ago, but negotiations have since broken off.

The designation process is continuing, however, and I expect—at least, I hope—that a negotiated settlement will be reached once we can bring the parties back together, which I hope will be in the near future.

Mr. Stevens: A supplementary question. Would the President of the Treasury Board undertake to make a specific overture to this group and invite them back to the negotiating table, bearing in mind that this group in the public service has been fair in the past with regard to their demands and has given every indication that they want a settlement again as opposed to a conciliation strike route?

Mr. Johnston: Madam Speaker, the hon. gentleman is aware that negotiation is a two-way street. We will do everything possible to arrive at an equitable settlement—equitable both to the union involved and to the public.

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● (1450)

CANADIAN WHEAT BOARD

VOLUME OF GRAIN SALES TO SOVIET UNION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Minister of Transport. Since we seem to have blown our chance of selling wheat to the Soviet Union at as good a price as Argentina, and since there seems to be some mix-up between the two ministers in charge of the Wheat Board—one suggesting we will sell 3.5 million tonnes; the other, 3.8 million tonnes—would the minister straighten things out and tell us how much grain we are going to sell to the Soviet Union this crop year at the reduced, bargain price?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, 3.8 is the figure.

Mr. Hovdebo: Madam Speaker, again to the Minister of Transport. The other Wheat Board minister in the other place said on CBC radio on the weekend that the new limit for grain sales to the Soviet Union will be 5 million tonnes in the new crop year.

Since Canada has not sold 5 million tonnes except once in the past ten years, this means that to all intents and purposes there will be no embargo in effect. Will the minister confirm that this is the level planned for 1980-81, and would he care to explain why the Soviet Union would want to buy that much wheat from Canada—

Mr. Nielsen: Because they are hungry.

Mr. Hovdebo: —when this government has turned its back on its second most important customer by joining this embargo and forcing the Soviets to buy Argentinian wheat at prices $40 per tonne higher than the Canadian price?

Mr. Pepin: Madam Speaker, the situation is that 3.8 million tonnes is what it is expected Canada will export to the Soviet Union in the present crop year. With respect to the next crop year, as I explained last week, the discussion is going on among members of the cabinet. A decision will be announced in due course, but no decision has yet been made.

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MULTICULTURALISM

ANTI-GERMAN REMARKS OF MAURICE CARTER

Mr. Peter Lang (Kitchener): Madam Speaker, my question is directed to the Minister of State for Multiculturalism.

An hon. Member: What is this, a Liberal holiday?

Mr. Nielsen: Another one? It's Monday, and there is another one coming.

Mr. Lang: In view of the fact that Mr. Maurice Carter has made anti-German remarks which were a slur on the Canadian-German identity and an insult to all people of German origin, I would like to ask the minister if the federal government participated in any sponsorship of Mr. Carter's involvement with the Le Mans race, as indicated in an editorial in *The Toronto Sun* this morning.

Hon. Jim Fleming (Minister of State, Multiculturalism): First, Madam Speaker, I might say that if we are looking at empty spaces, there are a lot more over there than there are over here today.

An hon. Member: There are empty heads over there.

Mr. Fleming: I will not comment on empty heads. The federal government did not participate in this particular car, its program or its race at Le Mans. I am pleased to say there had been an approach made for us to participate but an agreement was not reached. I hope I speak not only for the government and members on this side, but all members of this House when I say we find the comments made by that particular individual to be repugnant. They do not represent

Canada's long and close relationship with a military ally, Germany, nor our sense of commitment to our own German-Canadian community.

Some hon. Members: Hear, hear!

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TRANSPORT

LIMOUSINE LICENCES AT TORONTO AIRPORT

Mr. John Bosley (Don Valley West): Madam Speaker, my question is for the Minister of Transport, who I am sure is aware of the problems surrounding limousine licences at Toronto's Malton airport. The origin of that problem is that licences cannot be issued to individuals.

The question I ask the minister is this. Is the minister aware that the companies, which are the only ones under his rule who can obtain a licence at the moment, are now requiring their drivers, if they wish to work, to enter into contracts whereby they pay all the costs of the car, all the gas, all the maintenance and, further, that they pay the owners the sum of not less than $50,000 a contract, a contract which also allows those owners to fire them on 30 days' notice without returning any of the money they paid?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am aware that the situation varies from one airport to another, but generally speaking a contract is entered into and the terms of the contract have to be applied.

Mr. Bosley: Madam Speaker, it is true that the contracts vary from airport to airport. It is also true, and surely the minister recognizes this, that to require Canadians to pay for the right to work is not a Canadian tradition.

My supplementary to the minister is this. Will he undertake a full inquiry of the terms surrounding some of the contracts at Toronto's Malton airport? Is he, further, aware that one of the drivers, Peter Patsiopoulis, who has attempted to have this clause clarified in court, has been unable to do so because the provincial courts will not deal with his suit for unlawful dismissal as it is a federal licence. Will the minister undertake to review Mr. Patsiopoulis' case and consider urgently granting Mr. Patsiopoulis a temporary licence so that he may continue to earn his living as a Canadian while this matter is pursued through the courts?

Mr. Pepin: I will do so, Madam Speaker, but I do not see anything particularly distasteful in a worker providing his equipment. Many people do that every day.

ENERGY

OIL PRICING—UNILATERAL IMPOSITION OF SETTLEMENT IF AGREEMENT NOT REACHED WITH ALBERTA

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is to the Prime Minister. A few moments ago the Deputy Prime Minister indicated that the Minister of Energy, Mines and Resources made an offer to the province of Alberta on a very short-term basis, with the consent of the cabinet.

Did the minister, also with the consent and knowledge of the cabinet, yesterday over television say that if there was no agreement, the federal government was going to impose a settlement on the province of Alberta with regard to oil pricing?

Right Hon. P. E. Trudeau (Prime Minister): Here again, Madam Speaker, it is a question of the transcript, but my information is that the minister was answering a hypothetical question about what would happen if there was no agreement by the end of June and if Alberta moved unilaterally. My understanding is that the minister indicated that then Canada would have to consider whether unilateral action on the part of Alberta would mean unilateral action on the part of Canada.

Mr. Lambert: Does the Prime Minister feel that the federal government has authority to move in on any other province, including Ontario and Quebec, with regard to the export of electrical energy, which is also part of the energy question in this country, and that Alberta presents a special case only because public plundering is the theme of the day?

Mr. Trudeau: That seems more in the nature of an argument than a question, Madam Speaker. However, if the hon. member is asking a legal and constitutional question, the answer is, yes, of course the law is the same for all provinces: Alberta is no exception.

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THE CONSTITUTION

OIL PRICING—SEPARATION FROM CONSTITUTIONAL QUESTIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Justice. Can the minister tell us whether, during his consultations with the various provinces immediately after the Quebec referendum, he received from the governments of all the oil and gas producing provinces a firm agreement that the question of oil pricing should be kept separate from the question of the constitution?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I raised the problem and always clearly indicated to all premiers that I hoped that the basic rights of Canadians would not become a negotiable item. I think it would be fine this way. I raised the

problem with each of the premiers and they told me that they did not intend to negotiate agreements on resources and basic rights of Canadians, including the fact that we then wanted to obtain a statement on the basic principles involved in drafting a new Canadian constitution.

● (1500)

[*English*]

Mr. Clark: I asked the question because yesterday, in his famous television interview, the Minister of Energy, Mines and Resources stated explicitly that there was an agreement on the part of the oil and gas producing provinces. The minister has said he raised the matter and there seemed to be some general positive response.

Is it the view of the Minister of Justice that he received a firm agreement of the kind referred to by the minister of energy yesterday from the oil and gas producing provinces, that the question of oil pricing should be separate from the question of the constitution?

Mr. Chrétien: I cannot say there was a firm agreement. I raised the problem of having to deal with the two matters at the same time. The indication I received from them was that they did not want to discuss the two at the same time—that the constitutional problem was one problem and that the pricing of oil was a different problem.

Mr. Clark: A final question to the Prime Minister. Why did the Minister of Energy say yesterday on television that there was an agreement, when the Minister of Justice says today there was not?

Right Hon. P. E. Trudeau (Prime Minister): I listened to the minister, Madam Speaker. Nobody is talking about a signed agreement tied down in every way. The impression I got from the minister's answer just now is compatible with what the Minister of Energy, Mines and Resources said—that he pleaded with the premiers that they should not tie the rights of the people and the necessity to renew the constitution and to come in with a renewed federalism, with which the Leader of the Opposition agrees, to bilateral questions affecting energy, resources and other things.

To the extent that the Minister of Justice talked about this with all the premiers and that they seemed, if my understanding is the proper one, to say that it was a correct argument, then in that sense there was an agreement.

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ADMINISTRATION OF JUSTICE

PROSTITUTION IN VANCOUVER—PROSECUTION OF MEN WHO HARASS WOMEN

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Minister of Justice. The hon. gentleman is aware, having met on Friday with the Canadian Association of Chiefs of Police, of the serious concern of residents of the

Vancouver area about the large number of prostitutes, some as young as 11 or 12 years of age, in Vancouver's downtown streets.

What action does the minister intend to take in this serious situation? Specifically, will he assure the House that he will put an end to the double standard which presently exists in our law in that the woman who is harassing a man for purposes of prostitution is charged, but the man who is harassing women on the streets is let off? Will the minister assure us that these "Johns" will also be charged?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I recognize that there is a serious problem in light of the interpretation of the law by the courts. I understand that one of my predecessors, the present Minister of Energy, Mines and Resources, was proposing to deal very rapidly with that question at the time he was responsible for the department.

As to the problem of how you treat the other parties, in this modern society we even have men prostitutes on the streets, so we have to look at all aspects. I would like to proceed as quickly as possible, because I recognize there are some problems with this kind of social development in Canada. I should like to deal with it as quickly as possible, and I hope that in order to achieve it I shall have the co-operation of the House.

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PRIVILEGE

MR. ALTHOUSE—CIRCULATION BY MINISTER OF AGRICULTURE OF MATERIAL IN SUPPORT OF PLANT BREEDERS LEGISLATION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under Standing Order 17(2) to present a question of privilege, notice of which was sent to your office on June 13. The Minister of Agriculture (Mr. Whelan) informed us as members of Parliament that it was his intention to circulate, as part of the Agriculture Canada farm letter, a draft of which is already published, an argument in favour of plant breeders' rights legislation, legislation that is still pending.

It is my contention, Madam Speaker, that to make such an argument at taxpayers' expense prior to the passage of the legislation is a breach of privilege on the part of the minister. He is presenting at taxpayers' expense an argument for a bill which is not the law of the land but is simply the policy of his party. As a result, I contend he is breaching his privilege as a minister of the Crown and I therefore move to refer the matter to the Standing Committee on Privileges and Elections.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I would like to say a few words in support of the motion of the hon. member for Humboldt-Lake Centre (Mr. Althouse). I think we are looking at something today which is the beginning of a very bad practice if it were to be carried on by other ministers of the Crown, namely, that in a newsletter of the Department of Agriculture the minister is talking about a

policy in relation to which he hopes to produce a bill in the near future.

We do not have the bill before the House. We are not studying that particular bill. It is one which will be very controversial. Yet the minister is using a newsletter put out by his department to push a certain point of view about a bill which is to come before the House. Some may say we have white papers which argue a particular point of view before we consider government bills, or that we establish task forces which argue points of view before a government bill is put forward.

I suggest that those two methods are different. They are different because when a specific group of people, such as a task fore, sets out to study something, or a white paper is published, those points of view are made public in Parliament by a minister or by a department. In this case we find a minister taking it upon himself to present an argument for a bill in a newsletter put out by the Department of Agriculture. The department is not a political vehicle, it is a department of government and it is paid for by all of us. The minister is using that vehicle to make a partisan, political argument on behalf of himself and the Liberal party.

I think that is a rather dangerous practice to follow and I would ask your Honour to consider seriously whether or not the hon. member for Humboldt-Lake Centre has a valid question of privilege on a matter which will be very controversial and important, not only in this country but all around the world. The minister has many vehicles at his disposal and many opportunities to make his arguments and to make them in such a way as to conform with the past practices of this House and of the ministers which have preceded him. I wish the hon. gentleman would utilize those practices instead of starting down a new path which could lead to an infringement of the privileges of all of us. It would be something which he, as a minister, could do but which you and I Madam Speaker, could not do since we lack the facilities of the Minister of Agriculture. We may wish to present argument which is similar to the hon. gentleman's or which is quite different from his, but we do not have the same forum, the same vehicle, because we do not sit in the ministry as Minister of Agriculture.

This is an infringement of our privileges as members of Parliament as we try to represent our constituencies equally, regardless of whether or not we have a cabinet post, whether we are government backbenchers or whether we sit in the opposition in this chamber.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, if I understood the last speaker correctly, I thought I heard him say that the bill had not been presented to the House. The bill was given first reading, Madam Speaker, on May 29. Both bills pertaining to the Seeds Act are available for public scrutiny. They are available to anyone who wants them. If I understood the hon. member correctly, I thought he said they were not presented.

The newsletter we sent out was circulated after these bills were presented to the House. Departmental publications have been used on many occasions to inform people about proposed bills, so when the hon. gentleman says we are creating a precedent, following a new practice, I do not agree. We want the information to be given to the public. Many hon. members have said we are lax in informing the public or that we do not do it in a proper fashion. This is just a way of trying to inform the public about the legislation, an attempt to answer some of the things which were said about the proposed legislation even before it was presented to the House.

The hon. member finds that annoying. How does he think I feel when someone—and I am sure it is not he—is guilty of such a misdemeanour as to criticize plant breeders' rights or any other piece of legislation before it is presented to the House, describing how catastrophic it was going to be to the public and so on? Madam Speaker, I ask you to look at what I and my department have done and at how we have tried to inform the public of just some of the pertinent facts about this legislation. Many things have been said in the past, and there have been other publications published in this nation also with the support, I understand, of some government funds. Perhaps the hon. member should also mention those funds which were made available for publication, again concerning a piece of legislation which had not been presented to the House.

● (1510)

I am glad this legislation is presented to the House. It has received first reading in the House, and I will be even happier when it is given second reading so that it can to go the committee and be thoroughly discussed. The letter of information, as I call it, can be discussed there. It is customary for my department and this ministry to send out to the public from time to time information concerning bills which are presented to the House. This is something which is not really new. Your Honour will also find, if you investigate the hon. member's charge that this minister uses his offices to propagate philosophies and so forth, that this minister is responsible for a department which from time to time has been awarded the highest awards for informing the public the most about what it is doing.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I should like to take a moment or two to speak in support of the question of privilege raised by my colleague, the hon. member for Humboldt-Lake Centre (Mr. Althouse). I do so by recalling an incident which comes to my mind. It took place a number of years ago. It involved a person who is now quite ill and for whom those of us who have been around here for awhile have a great deal of regard, namely, the hon. Judy LaMarsh. It was when we were debating in this House a piece of legislation known as the Canada Pension Plan.

It just so happens—I hope it does not spoil the argument—that I was very much a protagonist of that piece of legislation and that I was annoyed about some of the attacks which were being made on it in the press and in other ways. I had the audacity to speak to my friend Judy and ask her if she could

put out some leaflet or some advertising answering these arguments and telling of the virtues and benefits of the legislation. Her reply to me was that she had thought about it and that she wanted to do it but that she was told by Treasury Board and others that it was not proper to spend public money advocating or telling of the virtues of a piece of legislation which has not been passed.

I suggest that if that practice applied then—that would be in the middle 1960s—the same rule ought still to apply. It is hardly proper, if there is a piece of legislation before this House—there being two sides to the argument—that one side should have taxpayers' money to state that side and the other side should not have that opportunity.

I suggest that my friend is right in raising this as a question of privilege, because it does interfere with the privileges of free and open debate on the floor of this House for the government side to have that special recourse to the treasury.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I only want to give a specific detail. Let us come back to modern times, to 1980. I merely wish to point out that the bill is listed on page 10 of the order paper as Bill C-32.

[*English*]

Madam Speaker: Order, please. I must rule that I do not see a prima facie case of privilege in the motion presented by the hon. member for Humboldt-Lake Centre (Mr. Althouse). I fail to see how the privileges of the House have been breached by too much information. It seems to me that the minister has used customary or usual means of communicating with the population in order to tell the people what were his intentions or the main points in a particular bill. It seems to me that this is a normal practice.

The hon. member did speak about a breach of privilege of the minister. The privileges which ministers enjoy in this House are not different from those which other hon. members enjoy.

Mr. Knowles: Oh?

Madam Speaker: I think perhaps the hon. member for Humboldt-Lake Centre would be better equipped to discuss the bill because this additional information has been given to the population in general and, by that fact, to himself.

The hon. member for Winnipeg North Centre (Mr. Knowles) invoked a precedent. I always listen very carefully to what that hon. member has to say about points of procedure. However, it seems to me that if it was the practice of the then treasury board not to adopt this kind of policy of informing the public, that has to do with the practice of the treasury board; that practice might be changed today, as might be evidenced by what has happened and by what the hon. member for Humboldt-Lake Centre is objecting to.

I really do not see a matter of privilege in this question, and I therefore must rule that it is not a question of privilege.

POINT OF ORDER

MR. FORRESTALL—CORRECTION OF SECONDER OF S.O. 43 MOTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, earlier today in seeking approval for a motion under Standing Order 43 having to do with the release of technical information to maritime unions—which I am sure your Honour will recall—I inadvertently mentioned as seconder the distinguished hon. member for South West Nova (Miss Campbell). While I know she is all for freedom of information, it would be wrong for me to have referred to her as seconding my motion when I intended the seconder to be the hon. member for Central Nova (Mr. MacKay). I extend my apologies to the hon. member for South West Nova and to *Hansard*. I ask that that correction be made.

Again, it is not that the hon. lady is not all for freedom of information; it is just that this happens to be in conflict with the government she supports.

ROUTINE PROCEEDINGS

[*English*]

PETITION

REQUEST THAT PROPOSED SALE OF CANADIAN GENERAL ELECTRIC LIMITED PLANT IN PETERBOROUGH, ONT., BE BLOCKED BY FIRA

Mr. Bill Domm (Peterborough): Madam Speaker, with your permission I would like to present a petition signed by 3,655 members and friends of the United Electrical Workers' Union, which is Local 524, in Peterborough, Ontario. This local represents employees of the Peterborough plant of Canadian General Electric Limited, and the petition asks that the Minister of Industry, Trade and Commerce (Mr. Gray) meet with the union representatives to hear their grievance and that the sale of the power cable and building wire division of Canadian General Electric to Pirelli Cable Limited, a foreign-controlled company, be blocked by the Foreign Investment Review Agency.

On behalf of the petitioners I ask for serious consideration of their requests by the Government of Canada.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM COCHRANE TO COCHRANE-SUPERIOR

Mr. Keith Penner (Cochrane) moved for leave to introduce Bill C-600, to change the name of the electoral district of Cochrane.

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

Order Paper Questions

TRANSPORT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall), that the second report of the Standing Committee on Transport, presented to the House on Friday, June 6, 1980, be concurred in.

Motion agreed to.

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 203, 224, 249, 276, 278, 281, 284, 354, 365, 621, 625 and 848.

[*Text*]

EXPORT DEVELOPMENT CORPORATION

Question No. 203—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Export Development Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Ed Lumley (Minister of State, Trade): In so far as Export Development Corporation is concerned:

1. Total revenue 1977 $138.964 million
   Total revenue 1978 $183.213 million
   Total net earnings 1977 $16.847 million
   Total net earnings 1978 $31.730 million

2. (a) None.

(b) Loans by the Government of Canada to the corporation at the Crown corporation rate:

1977	$150.000 million;
1978	None.

(c) Investment by the government in the corporation:

	Paid Capital	Retained Earnings	Total Equity
Dec. 31/77	$125,000,000	$ 76,251,000	$201,251,000
Dec. 31/78	$225,000,000	$107,981,000	$332,981,000

There was no write off.

BRANCH LINE SUBSIDIES—CROWSNEST PASS RATES

Question No. 224—**Mr. Herbert:**

1. In the past ten years, what amount was paid by the government in branch line subsidies related to the cost of moving grain at Crowsnest Pass rates and what amount was borne by the railways?

2. What is the average cost per ton of grain moved under these two subsidies?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): In response to part 1 of the question, it should be noted that there is no specific subsidy paid for the movement of grain under Crowsnest Pass rates. Subsidies are paid under sections 256 and 258 of the Railway Act in respect of branch line losses, regardless of the commodities carried or the location of the line. Therefore, total branch line subsidies include subsidies paid for lines handling little or no grain traffic, and grain traffic is handled on profitable branch lines for which no subsidies are paid.

The amount paid in branch line subsidies over the past ten years is shown in the attached table. Section 256 payments include both prairie and non-prairie lines. Section 258 payments are all in respect of Prairie lines, and the majority of traffic handled on these lines is grain. However, as mentioned above, no separation of grain and non-grain traffic is made for subsidy purposes.

With regard to the second section of part 1 and to part 2 of the question, estimates of the average cost of moving grain, and the portions of these costs covered by revenue from statutory rates, by government subsidy and by the railways, were made by the Commission on the Costs of Transporting Grain by Rail—Snavely commission. These estimates are available in the commission's report, volume I, October, 1976, (chapter V). An update of these estimates to 1977 levels was prepared by Snavely, King and Associates in their report "1977 Costs and Revenues Incurred by the Railways in the Transportation of Grain under the Statutory Rates", September, 1978, (Chapter IV). Copies of these reports are available from the grains group upon request.

Subsidy payments made to the railways under sections 256 and 258 of the Railway Act during fiscal years 1970/71 to 1979/80

Fiscal Year	Section 256 Uneconomic Branch Lines	Section 258 Designated Branch Lines	Jointly Under Sections 256 and 258
1970/71	— (1)	— (1)	
1971/72	14,800	33,282,000	
1972/73	16,848	22,883,859	
1973/74	11,488,036	25,247,990	
1974/75	1,030,160	85,504,766	
1975/76	240,108	108,684,913	
1976/77	649,157	104,419,236	
1977/78	6,549,314	67,022,152	
1978/79	11,098,842	98,854,045	
1979/80	12,689,625	105,850,758	68,900,000 (2)
Total	43,776,890	651,749,719	68,900,000

(1) For the fiscal year 1970/71 there were no payments made over and above the normal payments under section 413 of the Railway Act.

(2) This payment is in respect of claims under sections 256 and 258, filed by (1) Canadian National Railways for the claim years 1971-1976 inclusive and (2) Canadian Pacific Limited for the claim years 1970-1976 inclusive.

REFUGEES ADMITTED TO CANADA

Question No. 249—**Mr. Herbert:**

1. In the past five years, how many refugees have been admitted to Canada from (a) Ethiopia (b) Zimbabwe Rhodesia (c) Vietnam (d) Bangladesh (e) the Gaza Strip, the West Bank of the Jordan River, Lebanon and Syria (f) Sudan (g) Cyprus (h) Somalia?

2. Is there a quota or any limit on the number of refugees that can be admitted to Canada from these countries in the current fiscal year?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1.	1975	1976	1977	1978	1979 (prelim.)	Total
(a) Ethiopia	1	1		24	27	53
(b) Zimbabwe Rhodesia						
(c) Vietnam (i)	3258	2311	765	1755	24,815	32,904
(d) Bangladesh						
(e) Gaza Strip (ii)	4	1	20	6		31
Egypt (iii)		2	4	1	2	9
Jordan (iii)		5	3			8
Lebanon (iv)	8	6034	3580	1122	384	11,128
Syria		9	3			13
(f) Sudan			1	1	2	4
(g) Cyprus		4				4
(h) Somalia				1	1	2

Notes

(i) includes all Indo-Chinese designated class (i.e.) persons from Vietnam, Cambodia and Laos.

(ii) Israel and North Sinai included.

(iii) There are no separate data for the West Bank of the Jordan River.

(iv) includes special measures Lebanese Humanitarian Program (discontinued August 15, 1979).
Figures above: (a) include both persons meeting the UN Convention definition of a refugee and others selected for humanitarian reasons; (b) reflect country of last permanent residence rather than country of nationality of the refugees.

2. At the beginning of 1979 Canada established for the first time an annual refugee settlement plan, projecting the source and number of refugees which Canada would have the absorptive capacity to resettle in this time period. The refugee plan is an estimate of the appropriate level of Canadian involvement in international refugee resettlement efforts, taking into account existing commitments, international developments, the absorptive capacity of Canada and the provinces, and the availability of federal, provincial and non-governmental resettlement services. The plan will be developed on an annual basis in consultation with the province and non-governmental resettlement provinces. The plan will be developed on an annual basis in consultation with the provinces and voluntary agencies as part of the annual immigration level exercise.

The annual refugee plan incorporated a target of 10,000 refugees for 1979, comprising 5,000 Indo-Chinese, 2,300 Eastern Europeans, 500 South Americans, and 200 convention refugees from other parts of the world, as well as contingency reserve of 2,000.

Order Paper Questions

On June 21, 1979, the federal government announced that the 1979 refugee intake of Indo-Chinese refugees would be increased by 3,000, using the 2,000 contingency reserve in the plan and adding an additional 1,000. This brought the total government commitment to 11,000 refugee landings in 1979. A further 1,000 family reunification landings were expected to come direct from Vietnam. On July 18, 1979, Canada expanded the previous commitment to make it possible for a total of 50,000 Indo-Chinese refugees to be admitted by the end of 1980. Then on March 19, 1980, a federal cabinet decision was made to modify the program to admit an additional 10,000 government-sponsored refugees before the end of 1980, bringing the total for 1979-80 to 60,000.

The refugee plan for 1980 calls for the admission of 5,000 refugees apart from those from Indo-China. The targets are for 3,000 from Eastern Europe, 500 from Latin America, 500 from other world areas, and a contingency reserve of 1,000. Up to 300 of this contingency reserve was recently committed to assist with Cubans who have sought asylum in the Peruvian Embassy in Havana.

NATIONAL LIBRARY PURCHASE ACCOUNT

Question No. 276—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the National Library purchase account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Library as follows:

The following amounts were approved in an appropriation bill by parliament for the National Library book purchase account for the years indicated below.

Fiscal Year	Amount
1974-75	$639,000
1975-76	650,000
1976-77	650,000
1977-78	650,000
1978-79	650,000
1979-80	900,000

RAILWAY GRADE CROSSING FUND

Question No. 278—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Railway Grade Crossing fund?

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

As at	Outstanding Commitments
1975-76	$25,000,000
1976-77	None
1977-78	25,000,000
1978-79	20,000,000
1979-80	10,000,000

Order Paper Questions

NATIONAL FILM BOARD

Question No. 281—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the National Film Board operating account?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Film Board as follows:

Fiscal Year	Amount
March 31, 1975	$1,994,909
1976	3,709,513
1977	4,366,189
1978	3,732,729
1979	4,504,274
1980	2,500,000 (forecast)

Note: The above figures are the actual amounts outstanding at the dates indicated and as shown in the books of National Film Board. The figures shown in Public Accounts for each of the same years are modified by crediting to the account the cash receipts after March 31 which pertain to the fiscal year completed on that date.

RAILWAY GRADE CROSSING FUND

Question No. 284—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the Railway Grade Crossing fund?

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

As at	Outstanding Commitments	Amount Carried Over
March 31, 1975	$ 59,810,921	$ 47,434,814
March 31, 1976	53,920,820	28,817,833
March 31, 1977	38,800,654	1,601,234
March 31, 1978	38,265,055	10,769,403
March 31, 1979	25,547,209	8,235,239

PUBLIC WORKS—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 354—**Mr. Herbert:**

1. As of March 31, 1979, (a) how many persons in the SX classification were employed by the Department of Public Works (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Hon. Paul J. Cosgrove (Minister of Public Works):

1. (a) 44;
   (b) (i) 9,
   (ii) None.
2. (a) 44;
   (b) (i) 10,
   (ii) None.
3. None.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 365—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Indian Affairs and Northern Development (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): In so far as the Department of Indian Affairs and Northern Development is concerned:

1. (a) 61;
   (b) (i) 11,
   (ii) 4.
2. (a) 44;
   (b) (i) 7,
   (ii) 4.
3. Yes, Parks Canada transferred to the Department of the Environment. Consequently, the number of SXs employed declined from 61 to 44.

EMPLOYMENT AND IMMIGRATION—LAWYERS ON STAFF

Question No. 621—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Employment and Immigration?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Six lawyers, employed by the Department of Justice, are assigned to the Canada Employment and Immigration Commission and the associated Department of Employment and Immigration.

MINISTRY OF STATE FOR ECONOMIC DEVELOPMENT—PERSONS IN PUBLIC RELATIONS

Question No. 625—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Ministry of State for Economic Development?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Four officers.

SPRUCE BUDWORM SPRAYING OPERATION—NEW BRUNSWICK

Question No. 848—**Mr. Howie:**

1. Did the government assist New Brunswick with a spruce budworm spraying operation in (a) 1978 (b) 1979 and, if so (i) in what amount (ii) what areas were sprayed?

2. Was an analysis of the spraying operation made and was it generally considered effective?

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

1. (a) No, except for technical advice for pre-and post-spray analysis.

   (b) No, except for technical advice for pre-and post-spray analysis.

2. Yes. The analysis, carried out jointly by Forest Protection Limited, the New Brunswick Department of Natural Resources and the Maritimes Forest Research Centre, showed that the spray program in both years was generally successful in meeting its objective of tree protection.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ADMINISTRATION

ORDER IN COUNCIL RESPECTING ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

Hon. Yvon Pinard (for the Prime Minister) moved:

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander-in-Chief of Canada:

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

Hon. Jean Chrétien (Minister of Justice): Madam Speaker, I rise to address this motion to create an important new concept in the development of social policy in Canada, a small ministry to be known as the Ministry of State for Social Development. The ministry is being established to assist the government in integrating current social programs and developing more equitable social policies for the future.

[*Translation*]

The 1960s and 1970s were a period of social reform in Canada. In those years we developed the Canada Assistance Plan, the Canada and Quebec Pension Plans, the guaranteed income supplement, Medicare and a host of other new social

programs. We greatly improved family allowances and old age security and we pioneered the use of tax credits to deliver child benefits.

These programs have contributed greatly to the well-being of all Canadians and they are something of which all Canadians can be proud. But they were not without problems. The integration among programs was not always perfect. Costs sometimes ran higher than they might have in order to achieve the desired results. It was not always clear what government priorities were meant to be. Moreover, we have not yet solved the great social problems facing our country. The distribution of income in Canada is largely unchanged despite all the social policy changes of the 1960s and 1970s. Crime and poverty have not disappeared. Today, Canada has more poor children than ten years ago and the problems of many pensioners are still with us. The majority of Canadians still have no pension coverage other than that financed through the public sector.

[*English*]

We felt, on returning to office, that we could do even better than we had and we vowed to continue to improve the policy-making process to allow us to achieve that.

Hon. members have already heard in the Speech from the Throne of our government's determination to deal with such pressing social issues as job creation and the incomes of the elderly. Members will recall as well the commitment of the Prime Minister (Mr. Trudeau) in the recent election campaign to finance, over the long haul, additional social spending by reductions in existing programs or by increases in government revenues. Our commitment to social justice and fiscal reponsibility is clear. What I am suggesting to the House today is that we cannot hope to achieve these goals—to improve the substance of policy—unless we first improve the process by which social policy is set.

This concept will already be familiar to some members of this House, particularly those on the benches opposite. In addressing this motion, I wish to acknowledge the role of the previous government in moving toward the integration of policy setting and expenditure management. I hope, therefore, that members opposite will want to give ready assent to this motion.

They, too, wish to see our limited dollars go where they are most needed. To that end, it is essential, first, that ceilings be placed on expenditures and that all expenditure growth be carefully controlled, based upon careful planning and projection; second, that new high priority programs should be financed largely out of the proceeds from the elimination of other expenditures; third, that ministers must make conscious trade-offs among various possibilities in deciding what new proposals to lay before the House; and, fourth, that the choice of such programs should benefit from the advice of all the ministers within a sector.

[*Translation*]

We must put well-established limits to expenditures; we also need a mechanism by which ministers can properly consider

their priorities, compare one policy proposal with another and choose among them on the basis of clear trade-offs among the almost infinite array of policy proposals ministers face. Mr. Speaker, only in that way can we be certain that the dollars will go where they are needed most and only in that way can we be sure that all departments work together. Our proposals will ensure that all the relevant ministers and departments are genuinely involved in decision-making and that each is aware what others are doing. I must mention, however, that our concern is certainly not to save money at the expense of social, cultural and legal programs. Rather, it is to ensure that the money which we do spend—some $26 billion of it next year—goes where it will do the most good.

I wish now to speak about the elements of this process. A series of resource "envelopes" have been created, comprising all the programs in a given policy area. The social policy and justice and legal envelopes with which we are concerned today are the largest of these by far in dollar terms, for they include all the programs of Justice, Solicitor General, the Penitentiary Service, RCMP, CMHC, Environment Canada, the very important Department of Employment and Immigration, as well as the departments of Health and Welfare, Veterans Affairs, Indian and Northern Development, all of the cultural organizations which report to Parliament through the Secretary of State, and both research councils.

Once the cabinet committee has received the allocation for its sectoral envelope it knows its expenditure ceiling for that fiscal year. There may be room for expansion under that ceiling—for example our social policy envelope for 1980-81 will be increased by an amount sufficient to pay for our increased guaranteed income supplement which, as we know, Mr. Speaker, was raised by $35 a month by an act the House of Commons and the Senate approved a few weeks ago. But normally once that ceiling has been reached, any new expenditures must be financed through the cancellation of old, lower priority programs. Thus ministers must sit together and make trade-offs. They must clearly decide upon their priorities and they must do it together. That is what I mean when I say that all ministers are involved and that choices are now not Indian Affairs choices or Health and Welfare choices but social policy choices—for all these areas are considered together and decisions are made collectively. In a very real sense there is now an over-all social affairs budget, which in time should permit much better co-ordination of social policies.

• (1530)

[*English*]

I wish now to turn to the proposal to establish a ministry of state which will assist the cabinet committee of social development ministers, among other things. The terms of reference of the proposed ministry are before the House.

The kinds of deliberations I have described today require very considerable support. The committee deliberations must be informed by a thorough knowledge of all the operating programs in the social, justice, legal and cultural policy fields. They must be supported by an accurate, up-to-date allocation system so that ministers always know their exact budgetary situation. They must be informed by a competent monitoring of social, demographic and economic trends so that decisions take proper account of what lies ahead. They must be informed by properly designed evaluations of program delivery. They must be informed by thorough liaison at all bureaucratic levels so that the ministers' officials know enough about what is happening in other areas to propose good policies and to suggest places where duplication may be eliminated. They must be informed by a well-developed planning capacity to suggest creative improvements to social, cultural and legal policies. Finally, they must be informed by a thorough knowledge of provincial government activities in an area where provincial jurisdiction is crucial.

All of this requires a new structure. The one we are proposing is a small, highly competent ministry staff consisting mainly of professionals. My feeling is that eventually a ministry of some 50 to 60 officers will be needed to perform these functions. A ministry of comparable but slightly larger size is performing a similar function for the committee of economic development ministers. The ministry will advise the committee chairman. It will help ministers to set priorities and allocate resources. It will increase the capacity of ministers to establish trade-offs. It will support the re-evaluation of programs, but most of all it will help integrate social programs within an over-all social development strategy.

[*Translation*]

It is our intention to create new policies which will attack these problems directly by the creation of carefully directed and closely integrated policies which will allow the federal and provincial governments and all parts of our large federal social policy apparatus to work together. It is our intention, also, to foster and develop Canadian culture and to enhance our identities as Canadians. It is our hope that we will solve, by dynamic leadership, some of the social policy dilemmas which have beset us throughout recent decades. The new policy co-ordination and management systems which I have been discussing are an important element in these intentions. The new Ministry of State for Social Development will be a keystone in this process. I appeal to all members of the House for their support in the creation of this body, for it is important to all Canadians.

[*English*]

The creation of this ministry is a follow-up on what was started by our previous administration prior to last spring when my colleague, Mr. Andras, became the first minister in charge of the Board of Economic Development Ministers where all departments were co-ordinated that way. The following administration that was in power last spring and last year established that ministry, but they did not have the time to proceed with this motion in the House of Commons. I was pleased to take over that responsibility from the then secretary of state, Mr. McDonald. I had occasion to work with the group

that was established under Mr. Rawson, who was the former deputy minister of national health and welfare. In the last little while I have been involved in the program, I think it has been quite useful to have all ministers of different departments together to see what is happening in all those fields in which we are spending $26 billion every year.

[*Translation*]

Because, Mr. Speaker, I know that all members of this House believe that it is very important to maintain in Canada the services and social benefits implemented during the last few generations. I think that we can all be proud of the progress accomplished in the field of social security and cultural policy and of the sophistication that we have reached in the last decades in the social and cultural fields. Our work is not over yet, but it is very healthy to review all programs within a given period.

In the past, as I saw myself when I was President of the Treasury Board, decisions have very often been made because of an immediate need to reduce government expenditures, and sometimes, this was done very arbitrarily. We hope that by establishing the Ministry of State for Social Development, all ministers who have a role to play in the social vocation accepted by the government or Parliament on behalf of all Canadians will now be able collectively to analyse our priorities and budgets, and to identify the programs which have lost their usefulness or which must now give way to higher priorities in the present context, and that the ministers will be able to do so collectively in full knowledge of what is happening. For my part, in the last few months, when I had the pleasure of presiding at the meetings of the Committee on Social Development, I saw that even though the ministry had not yet been officially established, it was already operating as it had done under the previous administration. I was able to see that the ministers involved can now know what are the priorities, what are in general the claims made on the government and what are the available resources.

We have been able collectively to appreciate the potential which exists within the administration, and to change our priorities and budget allocations so that the new priorities can take over from other programs which might be still useful in society, but which must now, in light of our experience over the last decades, give way to new priorities, because governments and Parliaments must always consider what constitute the priority for the population when they sit in the House.

[*English*]

Hon. David Crombie (Rosedale): Mr. Speaker, I should like first of all to congratulate the minister with respect to his additional responsibility. I think he has three responsibilities in concrete terms—federal-provincial relations, Minister of Justice and now Minister of State for Social Development. I was quite impressed with the comments of the minister respecting the fact that he hoped the ministry would be a small and highly competent one. So say we all. Also I should like to take the opportunity to wish him well with it, particularly in connection with the new bureaucracy he inherited. Mr. Rawson and his staff are highly competent and will do their best to keep the minister out of trouble.

It seems to me the hopes for the ministry in terms of integrating ministerial responsibilities and the workload of bureaucracies may well be realized. But this may be more than counterbalanced by the fact that, at least for an early period, it will rain confusion upon most people who are trying to attach responsibility as to who is responsible for what in the social policy field. I say that in spite of the minister's comments. If we read the order in council outlining the responsibilities, we see that the minister is not responsible for simply going around and getting the best and latest thoughts from the various ministers and delivering them somewhere. He is in fact charged with the responsibility of developing and leading. Indeed, the language used in the order in council encompasses responsibility for developing and leading in respect of policy initiatives in the whole field of social policy and social development.

● (1540)

I do not think one ought to see the intention of the government as simply one of better management of resources. In fact, I think it is otherwise. The intention of the language in this order in council is to create ultimately a fairly vast bureaucratic network dealing with social policy development. However, other members wish to raise that point in more detail, and my concern today is otherwise.

I would like to assume that the minister would like some helpful thoughts on how he might go about his new responsibility. One of the things that has always bothered me about any new bureaucratic arrangement is that somehow there is the assumption that life begins when you start. This is a common thought by most human beings, as you are aware, Mr. Speaker.

It seems to me that the social development field, if it is going to get anywhere, has to take some cognizance of the past. I recognize that one may say, "There go the Conservatives again talking about the past", but it has always seemed to me useful to see where we have been so that we might better find out where we ought to be going.

I am glad I spent a little extra time this morning feverishly trying to find out where we were in 1960. The minister talked about 20 years ago and gave a recitation, as is the Liberal party's wont, about all the wonderful things it has done on behalf of Canadians. For that I want to thank him. I think it is also worth while reminding people exactly where we were in 1960 so we might see where we want to be in the year 2000. I would like to spend a moment or two on that.

In 1960, oh blessed day, the Conservatives were in power. You may remember that Mr. Speaker. The prime minister, of course, was the Right Hon. John George Diefenbaker. The Conservative party had 50 seats in the province of Quebec. Major General Georges Vanier was Governor General, it was the Twenty-fourth Parliament and the outlook for the nation

was reasonably good. As reported in the *Toronto Star*, unemployment was down to "moderate levels", and national revenues were rising. The chances, said the *Toronto Telegram*, for a balanced budget for 1960-61 were excellent. The real issues of the day, again according to the *Toronto Telegram*, included defence and finance. Even then they were talking about what kind of defence policy this country wanted and how much we were willing to pay for it.

That year, 1960, was a leap year. That was the year the Hon. John Turner, who was then a lawyer from Montreal whose major claim to fame at that point, as I recall, was that he danced with Princess Margaret, was asked, since it was a leap year, who might ask him to marry. He said he would rather drop dead than answer the question. For the record, John Turner was married in 1963.

A United States study at the same time showed that only 3 per cent of working women had ambitions to be executives. McLean-Hunter started a new magazine which was called *Canadian Homes and Gardens*. As you flip through the pages of *Maclean's* and *Canadian Homes and Gardens* of 1960 you will see ads promoting brand names as quality standard. There were no no-name products at that time. Metrical was brand new, and it has become, of course, part of the flab-conscious society in which we live. Metrication started a little later. Governments were still fighting the same dilemma; they were cutting costs and personnel, according to the *Toronto Star*. The employment picture was pretty good, and salaries are interesting to read. A plumber in Halifax made $1.25 an hour, a carpenter in Montreal made $2.35 an hour, an electrician in Toronto made $3.40 an hour, a labourer in Winnipeg made $1.65 an hour, and a plumber in Vancouver made $3.14 an hour.

The year 1960 was the year of the duck-tail haircut, the year of the cha cha cha, and the year of the TV show "Mr. Lucky". Some hon. members may remember that. It was the golden age of live TV. Jack Parr put us to bed. Johnny Carson now does that. It was all in black and white, of course, because we were not sure about colour television, and, indeed, there was some thought that it may offer distressing opportunities, or the lack of opportunities for reproductive possibilities.

Some hon. Members: Oh, oh!

Mr. Crombie: Hon. members may remember that issue.

The "Sound of Music" was on Broadway, Mitch Miller was singing along on Sunday night, just before Ed Sullivan, and Elvis Presley was big—very big. We remember Connie Francis, and Anita Bryant was on the hit parade with "Paper Roses". We had Brenda Lee, Fabian, Paul Anka with "Puppy Love", and we could never forget "The Itsy Bitsy Teeny Weeny Yellow Polka Dot Bikini". "South Pacific" came out that year in film and the album sold millions.

The streetcar fare in Toronto was six tickets for a dollar. You could get a free car wash with a $3 gas purchase. If you drove a Volkswagen I guess the problem was that you could not get $3 worth of gas into it. Gasoline was 19 cents and 20 cents a gallon.

A house in downtown Toronto, the house that you dreamed about with six bedrooms, two bathrooms and a private driveway, could be purchased at Avenue Road and St. Clair for about $22,000, and that is roughly the geographic centre of metropolitan Toronto. You could still buy a number of houses in Cabbagetown at the time for $7,000 to $8,000 each. A beautiful dress in Eaton's cost $25. Button-down collars were on their way in and Bob Newhart was a new comic with a button-down mind. Medic Alert was just a gimmick and you had to send away to California, the home of all gimmicks, to get one. The Richardsons from Regina became the champions in curling.

On the front page of *Maclean's* in 1960, and throughout one whole monthly issue of *Maclean's*, there was nothing about energy except one thing, and that was on page 24 where there were six lines as follows:

> Natural gas will answer an ever-increasing proportion of Canada's energy needs in the 60s, plans for building new pipelines, looping present lines and provisions for exporting gas to the U.S. are calling for a $1 billion expenditure.

Energy did not occupy anywhere near the space that it does today. A column by Blair Fraser in *Maclean's* was headlined "The backbenchers' unemployment problem—they're able, anxious and bored stiff". That was in 1960. A column by Leslie Roberts, a freelancer from Montreal, entitled "The maritimes should secede from Canada" appeared. In those days Nathan Phillips was the mayor of Toronto and Jean Drapeau was the mayor of Montreal. The mayor of Moncton was M. M. Baig, and the mayor of Yellowknife was Ted Horton.

Those were the good old days when sugar was nine cents a pound, bread was 15 cents a loaf, sirloin was $1 a pound, milk was about 24 cents a quart, and now it is 79 cents a litre, whatever that is.

Ottawa had a brand new police station in 1960. You might remember that, Mr. Speaker; you probably voted for it. Ottawa has since outgrown that one and is now looking to build a brand new one. A magazine article in 1960 dealt with the eyesores of Ottawa, one of them being the temporary war buildings. After 35 years, those buildings are just coming down.

● (1550)

The best movies were "Sunrise at Campobello", "Elmer Gantry", "Inherit the Wind" and "Spartacus". Jack Kennedy was running for president. A Bill of Rights was brought into the House by the Right Hon. John Diefenbaker. Alvin Hamilton was minister of northern affairs and solving bear problems in national parks by having their derrières painted red to distinguish the good ones from the bad ones. Marcel Lambert was parliamentary secretary to the minister of national revenue.

Peter Lougheed was the vice-president and director of the Mannix Company in Calgary. For those who are interested in the continuing struggle, Marc Lalonde was teaching law at the University of Montreal and, indeed, was an assistant to the Hon. Davie Fulton. Jean Chrétien was practising law and

trying to get a job with the former member for Eglinton, the Hon. Mitchell Sharp.

Vance Packard wrote the "Waste Makers", Joy Adamson wrote "Born Free" and William Shirer wrote "The Rise and Fall of the Third Reich". Coin-operated dry cleaners were a new fangled idea from the United States. Floyd Patterson was the heavyweight champ. The Pittsburgh Pirates won the National League and the New York Yankees won the American League.

Canadian athletes did extremely well in 1960. Barbara Wagner and Robert Paul won the world's pairs competition. The fixed bankrate in 1962 was 6 per cent. This year interest rates soared to 17 per cent, and they are now dropping to around 12 per cent. To date the Argonauts had not won the Grey Cup. In 1960 the government spent $1,242,000,000 on pensions and family allowances for Canadians. Today the income security branch of the Department of National Health and Welfare spends $9.7 billion.

In 1960 a licence to do business cost cabbies $15,000 in Montreal and Toronto and now it costs about $45,000. Cigarettes were 40 cents to 45 cents a package. A cab driver remembers TTC tickets as costing a quarter for two or a dollar for eight. The rule of thumb when shopping was that you paid about $3 for a bag of groceries. Now you are lucky if you can get the bag for that! A hair wash and a hair set in 1960 cost $3 and you tipped a quarter. To rent a house in a relatively good part of Toronto, let us say Etobicoke, with five bedrooms, one bath and parking was $135 per month.

In giving those little bits of information, Mr. Speaker, I hope I did not take too long, but I wanted to make the point that there were many things 20 years ago which we felt were important and which were not, and there were many things to which we did not pay attention and they were important. If we are going to have any social policy in this country that is useful to Canadians in the year 2000, then it is not, in my view at any rate, useful for us simply to rest on the recitation of the social measures which this House has agreed to in the past.

Indeed, there may be changes in the future, between now and the year 2000, for which we can see some sense now. It is always difficult to prophesy. I think there is an oversupply today of prophets, futurists and soothsayers of one kind or another who will tell your fortune and your future. There are people who will tell your future through cards, through tea-leaves or through polls. There are various ways in which people try to determine the future.

There are also straws in the wind, and one can get a sense of what the year 2000 might have to offer. I remember a line from Bismarck who said, when someone asked him how he figured out foreign policy for the future, "I catch the wind of God and the trees and hang on". Perhaps that is good advice for the minister of social policy. If I can give an example of when we tend not to pay attention but ought to, on August 8, 1960 a man by the name of Munro Rathbone who had an office in Rockefeller Plaza made a decision. He was the chief executive officer for Exxon. The decision he made was to cut back on the taxes being paid to the oil producing countries. Within a few days of Mr. Rathbone making his decision, the other oil companies followed suit and within three months, by September 9, 1960 the hard hit oil producing countries got together in the ancient and fabled city of Baghdad and organized an outfit known as the Organization of Petroleum Exporting Countries—OPEC. It was not until about 1973, 1974, or 1975 that people in the west heard of this organization. As hon. members will remember, it really took the Yom Kippur war to bring OPEC to the attention of the United States. It had been formed in 1960, however.

In the same way, I think we can get a sense of what is coming by the year 2000. Most futurists, those people who try to figure out what is coming at us in the future, agree that fundamental to all changes in the future at any time is that one will find a change in the pattern of behaviour which we establish for the production, distribution and consumption of our goods and services. If there are changes in the production, distribution and consumption of our goods and services, there will ultimately be changes in art, music, the kinds of songs we listen to, the kind of art we like, our sense of neighbourhood, our sense of who we are and our sense of time and space. This all has an effect on families and institutions such as the church and so on.

If hon. members have not had the opportunity over the last couple of months to read Alvin Toffler's new book, "The Third Wave"—I get no royalties at all for this—I would recommend that they do so. I would recommend it to anyone who is interested in a quick gaze into what the future will bring. In brief, he argues that over the next 20 years, indeed the next decade, there will be striking changes relating to the workplace. Increasingly we will be able to do more work at home. As we move from the actual dealing with goods, the changes in technology and computer science, and thus in the flow of information and in communications, will allow us to do far more work at home. He refers to this change as the rebirth of the cottage and calls it the "electronic" cottage. There is kind of a whiff of the space age about the book.

This morning while I was shaving, I heard an announcement on the radio which said that the planning board of the city of Ottawa is, this very night, accepting suggestions from its citizens to relax, expand and otherwise modify—if hon. members remember the words as well as I—the zoning bylaws with respect to employment enterprises in residential areas. This is because they want to allow for an expansion in residential areas of work opportunities. It was not a big item and they do not have the trumpets out, but it is a straw in the wind. I think we will see more of a change in that connection.

Indeed, Toffler goes on to argue that the next 20 years will be characterized by a number of changes. There are four changes which he singles out. The first is that we will see a restrengthening, if not a rebirth, of the family. He is not referring to the family which we may know as well as the one we have, but to the institution of the family. As always, it will remain, but its specific form may change. In fact, he says there will be a number of forms and a variety of roles in this family.

Social Development Ministry

Recently the *Toronto Star* did an article on the kinds of families which are emerging today. There are an amazing number of kinds of families which are emerging with different roles. There are lots of people who are not going to have children. In fact, I gather there are lots of people who are not going to get married and have children. There are a variety of ways in which we are going to renew the family.

● (1600)

Second, neighbourhoods and places of living are going to be changed because the workplace and the living place, Toffler says, are going to be the same.

Third, the corporation will change. The corporation began as an economic instrument but it will increasingly be judged by its social policies as much as its economic policies. Indeed, that is already the case. It is increasingly being measured not only by its economic performance but by how well it manages the environment in which it is involved, by how well it deals with its employees and how well it organizes itself in relation to the social problems of its own employees. The corporation is already changing and will have changed even more so by the year 2000.

Fourth, Toffler says there will be a rebirth of the sense of community and the need for community. It may be very difficult for some people to see this but if we look around we can see that what the minister is involved in has indeed changed. Change is basic to the human condition, but so also, is order and continuity. If we look ahead 20 years we will see that our major problem of social development will be to find a way to deal with that change and convert it into order and continuity.

In the past we have relied upon the life rafts that have always been there—the church, the family, the neighbourhood and social groups. The minister's responsibility is to find ways to deal with the change that is coming—ways to pour new wine into old bottles. It is incumbent upon him to find ways of renewing our institutions—family, neighbourhood, church and social groups—so that change can be converted into order and continuity. It is within that context that I should like to use the time remaining to me to look at some very specific issues regarding social development in the 1980s.

First of all, over the next decade it will become essential to relate economic policy to social policy. For a long time there has been an artificial split between the two. The interdependence between economic policy and social policy is so clear in our everyday lives that we forget how important they ought to be in the organization of government services. Income security programs, for example, are not just a question of the right to social assistance; they can be affected by programs in relation to income tax, employment and manpower retraining as well.

Just the other day some questions were put to the Minister of Finance (Mr. MacEachen) about the indexation of income tax. The questions were essentially about whether the government needed more money in order to meet its deficit. Important as that may be, Mr. Speaker, most Canadians feel that the real import of that policy is whether it removes the protections they now have against inflation through indexation of income tax. Although it may fall into the category of an economic policy, the removal of indexation of income tax will have a devastating effect on Canadians, particularly those in the low income group or those of modest means.

The second issue is one which I touched on earlier, the matter of corporations. We will not only be concerned with their economic performance in the future but also their non-economic performance as it touches upon consumer protection policies, the environment, the problem of alcoholism among employees or whatever the social problem may be. It may also lead to new observations about new forms of corporations that relate to the community. Community economic development is another straw in the wind but it will become more important as we become increasingly dependent upon communities.

Third, we will have to deal with the problem of equal pay for equal opportunities as it concerns handicapped people and women. There has been a lot of talk about this in the past few years but I think now the talking stage is over. I am sure the minister will be interested in developing policies to ensure there will be no distinction in the opportunities offered to our sons and daughters. Every father and mother knows that their daughters and sons are equally bright, equally intelligent and equally able. A society that does not offer them equal economic opportunity is no longer acceptable.

Fourth, we will have to deal with the question of income disparity. The billions of dollars which have been injected into income transfer programs in the past 20 years have not changed the range of disparity at all. The programs were welcome because things would have been worse without them. We put a great deal of time into trying to find income supplementation programs for the working poor. I like hockey players, Mr. Speaker, but we must think about the money we pay them when compared to the salaries paid to doctors. It is becoming more important that we find a way to put some relative and reasonable limit on the range of incomes.

Housing is another problem. In 1978 the government decided to get out of the housing business and now there is no housing policy. Things look worse for the future. On Saturday I had the opportunity to preside at the opening of the J. S. Woodsworth housing co-operative in the city of Toronto which is the fifth in the Cabbagetown area. The minister might want to consult with the minister responsible for CMHC to see what can be done about co-operatives because I believe they are becoming increasingly important.

The minister was far too modest in his comments, Mr. Speaker. He has an overriding responsibility in this field as set out in subparagraph (c) on page 3 of the proposed order in council as follows:

(c) he shall lead and co-ordinate the efforts of the Government of Canada to establish and to clarify co-operative relationships with the provinces and with public and private organizations, to foster conditions that allow and assist the development of the individual, the family and the community;—

That does not say that he takes notes from other ministers or that he is just there to integrate; it says he shall "lead and co-ordinate". I take that very seriously, Mr. Speaker, because

it will become more important over the next 20 years or even the next five that the federal government reassert its influence in the social policy field—not necessarily its power, Mr. Speaker, but its influence. Indeed, it struck me that since the government has been in office, and even when they were in office before, it has always missed the point that there is a big distinction between power and influence. It worried about power and lost its influence. Indeed, the way in which we have attempted to negotiate medicare with the provinces is nothing short of a scandal. You cannot expect people to co-operate if you are hitting them over the head.

● (1610)

I emphasize to the minister that if we want to have Canadian standards in social policy, and I do, then this government is going to have to learn that if it wants to expand its influence, it will have to curtail its concern for power. That way we will be able to be assured. For example, 1977, in the negotiations for EPF, much heralded, the federal government lost a considerable opportunity to continue to establish Canadian standards in the health care field.

In many of my remarks I have attempted to show that you can learn from the past and that you have to look at the future if you are going to do anything more useful than merely reorganize a bureaucratic framework. When I was preparing some of my notes, I had the feeling I had been listening to "All That Jazz" about "everything old is new again" coming true. I remember a passage from Robert Frost, and I pass it on to the minister for whatever value it may be to him. I quote:

For dear me, why abandon a belief
Merely because it ceases to be true?
Cling to it long enough, it will turn true again,
For so it goes.
Most of the change we think we see in life
Is due to truths being in and out of favour.

I suggest that the institutions which have served us for so long, and indeed have not been in use in the past 20 years, will become very useful to us in the next 20 years. I hope it is in that spirit that the minister approaches his responsibilities.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the proposition before us this afternoon is wrapped up in beautiful paper, tied with a gorgeous piece of ribbon and has a very nice greeting card attached to it. Therefore, I suppose we are expected to accept it eagerly. However, I say to the Minister of Justice (Mr. Chrétien) that inside the package there is a dangerous weapon. There is a time bomb. We do not think this motion should have the support of this House.

I shall comment in a few minutes on my reasons for the stand being taken by this caucus. However, may I first say that while the hon. member for Rosedale (Mr. Crombie) was telling us everything that was happening in 1960, I naturally wondered what my friends around here were doing. Therefore, I asked them one by one, "What were you doing in 1960?"

Mr. Crombie: Svend was a member of kindergarten!

Social Development Ministry

Mr. Knowles: The hon. member for New Westminster-Coquitlam (Miss Jewett) told me she was writing some academic treatises—

Mr. Cullen: As a Liberal.

Some hon. Members: Hear, hear!

Mr. Knowles: —and also that she attended the Liberal policy gathering held at Kingston, Ontario. She went there as an academic for Carleton University. I gather that was the beginning of her disillusionment with the Liberal party.

I asked the hon. member for Regina West (Mr. Benjamin), whom we welcome back to the House after his illness—

Some hon. Members: Hear, hear!

Mr. Knowles: —what he was doing in 1960. He told me that he was a station agent at Richmound, Saskatchewan. When I asked the hon. member for Churchill (Mr. Murphy) what he was doing in 1960, he told me the biggest issue he had to face that year was whether to walk to high school or ride his bicycle. I do not think he remembers how he solved it. I asked the hon. member for Vancouver-Kingsway (Mr. Waddell) what he was doing in 1960. He said he had just graduated from high school in Toronto and was entering Victoria College in Toronto. These, of course, are the older members of the group.

I spoke to my colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie). He told me that in 1960 he was in grade three in Westview Elementary School in Transcona.

Mr. Benjamin: That's as far as he got.

Mr. Knowles: He did not tell how many years he spent in that grade. The record among those who are here seems to go to the hon. member for Burnaby (Mr. Robinson). He was in grade two that year. He does not quite remember what school it was. No one seems to want to know what I was doing in 1960, but I am going to tell them anyway.

An hon. Member: You were right here.

Mr. Knowles: You are wrong, I was not here.

An hon. Member: He was in the other place.

Mr. Knowles: I was preparing to come back. From 1958 to 1962 was the one respite I had from this place in the last 38 years. During those four years, like the Minister of Justice, I held several positions. One of them was as an executive vice-president of the Canadian Labour Congress. Another one was that I was chairman of the national committee for the New Party.

Some hon. Members: Hear, hear!

Mr. Knowles: That was the group which did the groundwork that led to the formation of the New Democratic Party. In 1960 the CCF held its last convention as the Co-operative Commonwealth Federation. That was in Regina. At that

convention we passed the necessary resolutions to take part in the ongoing proceedings that led in 1961 to the formation of the New Democratic Party.

There is something else about 1960 that I should like to mention, and this does lead into the discussion on the motion before us. I see a couple more have arrived. My friend from Winnipeg North (Mr. Orlikow) was probably a druggist then. The hon. member for Nanaimo-Alberni (Mr. Miller)—

An hon. Member: Just another kid.

Mr. Knowles: Yes, he was another kid. I am sure the hon. member for Rosedale in his recital of all those things that were happening to 1960 led many other members to think about what they were doing, those who can remember that far back.

I would like to mention that in 1960 the old age pension was $55 a month, payable at age 70. There was what was known as old age assistance which was available on a means test basis between 65 and 70, but the old age pension itself was $55 a month, not payable until age 70. The Liberals had increased it from $40 to $46 just before the election of 1957. When the Diefenbaker Tories came in in 1957, having said that that was not enough, they put it up to $55 before the election in 1958 was held. Before the election in 1962, they put it up to $65.

At this important point in time that the hon. member for Rosedale was talking about, in 1960, the old age pension was only $55 a month. That was the maximum amount of the old age security. It was also the amount of old age assistance that was payable on a means test basis. Members of Parliament were getting an $8,000 indemnity and $2,000 in expense allowances. A lot more has happened to them than has happened to the rate of old age pensions.

● (1620)

I am about ready to join all this to my objection to the bureaucracy which this motion proposes to set up by asking this question: I wonder, if we had had this bureaucracy throughout the last 20 years, whether the old age pension would be $190 a month, as it will be in July of this year. I doubt it. As I say, this package is wrapped up in beautiful paper and tied with a gorgeous piece of ribbon, but to my mind the heart of it lies in one sentence, namely, that the minister of state for social development is to have the authority to advise on the allocation of finance, personnel and other resources to federal programs which provide support for individual and social development in Canada. In other words, it is not so much this minister but the bureaucracy of which he is to be the head which will have the "say" about all social expenditures. This means it will have the say about social security and the guaranteed income supplement, it will have the say about veterans pensions, about public servants' superannuation, about grants, whether to old people or to native groups, and so on down the line. It will have the say when it comes to vetting or checking all of them and my prediction is—if you can call it a prediction 20 years later—that if we had had this kind of checking to hold these people back we should not be seeing such high levels of social security payments as exist at the present time.

I believe that for all the fine talk about the desirability of having a group to plan new ventures and developments, the true effect of the order in council which this motion proposes to endorse will be to check social expenditures. That is why I say that inside this beautifully wrapped package there is a dangerous weapon, a time bomb which could do damage to our social programs and I do not think we should go for it.

Some hon. Members: Hear, hear!

Mr. Knowles: There are presently, in a number of our departments, excellent people who do a lot of good, hard work—all the research necessary to come up with programs. This is true of the Department of National Health and Welfare. Many of the programs which either the Liberals or the Tories have brought to the floor of the House as legislation were developed and planned by the professionals who are there in that department. The Department of Veterans Affairs is another example. We have a lot of trouble trying to get veterans legislation on to the floor of this House; I think that is because the Minister of Veterans Affairs (Mr. MacDonald) has a lot of trouble getting his programs past the Treasury Board and other members of the cabinet because of the dollar question. Nevertheless, in that department there are first-rate public servants and many of them—one used to be able to say all of them—are veterans who keep coming up with ideas as to what is needed to recognize the rights of those who defended this country as members of our Armed Forces.

As time has gone on, the needs of veterans have changed. I know that in the department today the officials are thinking far more about the needs of the older veterans than they used to, because, of course, the veterans are older. Those people do a good job and I suspect that in some of the other departments with which I am less familiar, for example, the Department of Employment and Immigration and the Department of the Secretary of State, where training grants are administered, or in other departments which are concerned with public servants and their training, ideas are put together, becoming the basis of legislation which ministers try to get through. I believe it is an excellent thing that there should now exist a cabinet committee of ministers who are responsible for programs involving grants, pensions and other things that are good for the individuals who make up our society.

The Minister of Justice described that committee today, but it seems to me that the place where the hard bargaining should be done for senior citizens or for mothers or for children or for veterans or for people seeking jobs or training is in the departments which are concerned with those things. Even now, those departments have an awfully hard job getting their ideas across because of the various levels of bureaucracy which already exist. A department can come up with an idea and sell it to the minister, or the minister can supply the idea to his department and have his staff work it out. But after a project has been fully agreed to by the minister and the department there are the Treasury Board, the Privy Council office, the

Bureau of Economic Development, cabinet committees, and, finally, cabinet itself to be persuaded.

To my mind that is more than enough for the departments which are interested in particular groups and individuals to contend with. To say to these people that there is now to be yet another level of bureaucracy superimposed upon the departments concerned with ideas is just going to slow down the process still further. I feel that these 50 or 60 new bureaucrats the Minister of Justice talks about are just going to get in the way of social progress instead of advancing it. That is why I used the figure of speech I did about this being a beautiful package. The words are lovely, I admit. We are given a beautiful sermon about the government's intentions. But tucked in there is the authority of the minister who is to be the head of this particular bureaucracy to say no to pension increases, to say no to family allowance increases, no to training grants, no to veterans benefits.

In my view, it is an insult to a minister like the Minister of Veterans Affairs or the Minister of National Health and Welfare (Miss Bégin) to say to them: "You may have your ideas but they don't count; somebody superior is going to do this work". It is not that I feel that way about the present Minister of Justice. A while ago we talked about years gone by, about 1960. The hon. gentleman was not here then, though he was trying to get here; I do not know what the young man was doing but I do remember meeting him very shortly after he came here for the first time in 1963, after I came back. That same year we met on one of those trips, down to Florida I think it was.

Some hon. Members: Oh, oh!

Mr. Knowles: When hon. members get through having their fun, may I say it was a trip under the auspices of the Canada-United States parliamentary group and we went down to see the installations at Cape Canaveral in the days when they were talking about going to the moon as though they really meant it. The thing I remember most about my good friend the present Minister of Justice is that at that point the number of English words he knew was very few. When I consider how he came from almost no English at all in 1963 to his capacity now not only to speak in my language as well as his but also to debate and argue in it, he has a great deal to his credit.

• (1630)

Some hon. Members: Hear, hear!

Mr. Cullen: So much for the nice part.

Mr. Knowles: I say to the Minister of Justice—so that he does not need to be worried about what I said—that it was all to the good. Over there they never know when they should listen and when they should not. He should have been listening. I have his attention now, and I say to him that it is not that I think he is going to be a person who is going to lord it over the Minister of Veterans Affairs, the Minister of National Health and Welfare, the Minister of Employment and Immigration (Mr. Axworthy), the Minister of National Defence (Mr. Lamontagne), the Solicitor General (Mr. Kaplan), who is in charge of the RCMP, or the Secretary of State (Mr. Fox), who is in charge of many training programs, culture and so forth, but this bureaucracy is.

The minister says that this new bureaucracy will be comprised of 50 or 60 people. I did not know until today how many there were to be. I am all for jobs for public servants, we could not get along without them around here, but I do not see the need for these extra 50 or 60 public servants to do a job which is already being done by the Treasury Board, by the Privy Council office, by a cabinet committee and by the cabinet itself, and in the process really to say a few more "noes" to proposals for social development. I think that it would be far better if this did not happen at all.

This, as I say, is the reason for our taking our stand against this motion. I realize that, as so often happens, the government has gone ahead as if the motion had been passed. I listened, as I have already indicated, with a great deal of interest to the speech by the hon. member for Rosedale, but he did not seem to be very strong one way or the other as to whether he was for or against the motion. Of course, he was for it because they had the same idea last time. It is part of that envelope system. I just do not think that these things work. I think we will get a better deal for our pensioners, our veterans and all those who are involved in programs of social development if we leave the fighting for those programs to the ministers and departments concerned about them.

At one point the Minister of Justice said we could congratulate ourselves on the progress we have made through the years. That sounds to me as though he has heard the speech I make about once a month about the progress I have seen in social development since I first came here in 1942. I talk about pensions being $55 a month in 1960. They were $20 a month in 1942 when I came here, and there were no family allowances and many of the programs we have implemented since. That is fine, we can congratulate ourselves on what we have done; but we still have a long way to go, and I do not think we enhance the possibility of moving forward by setting up this 50 or 60-person bureaucracy to check on what departments like the Department of National Health and Welfare and the Department of Veterans Affairs are trying to do for the people they represent and on whose behalf they work. As I say, that is why we are opposed to this motion.

As the government so often does, it proposes something and then goes ahead and acts as if it has already been done. I noticed that in the *Hansard* list of cabinet ministers the Minister of Justice is already listed as "Minister of Justice and Minister of State for Social Development", even though the ministry of state has not yet been set up. Apparently the bureaucracy is already there.

I realize too that we are operating under a statute which provides for a motion like this to be debatable for only seven hours, and then the House has to decide on it. With the Liberal majority and the Conservatives apparently feeling that they have to go along with what they were doing last time, it

will probably carry, but I say on behalf of our party that we think it is a mistake.

There are things to do. There are many senior citizen organizations in this country which feel that in terms of their interests if there is going to be another body, another ministry or another department, it ought to be a special one for senior citizens and that they ought to have a minister who is concerned exclusively about them, their needs and their rights. This is something which has been presented to the government so often that at least the Minister of National Health and Welfare has responded by setting up a special division in her department which is concerned about aging and the needs of older people. However, the point I am making is that that is the kind of direction in which we should move, if we should move at all, and that is setting up departments concerned about the particular needs of people, not a 50 or 60-person bureaucracy that is going to cut back on what they need.

In terms of senior citizens, we have done well by getting the pension way up and by getting the age down to 65. We have done well in the establishing of senior citizens' housing and in the grants which are made under the New Horizons program. But, as I say, there are still many improvements which need to be made in our pension programs. We need to get over the notion that all a person needs when he retires is a pittance, enough to keep body and soul together. We need to establish the concept that a person who has done his share of this world's work for 30 or 40 years has just as much right to his share of the wealth being produced when he is retired as the others. We need to get over some of our silly notions about women, such as the notion that their pensions should be half what the pension of the husband would be. We need to get over some of our silly notions about women not having entitlement to pensions because of their work in the home. These things are going to cost money. If we interpose into the situation a bureaucracy the purpose of which is to allocate expenses and cut things down, we will have far more trouble than if we leave it to a department which is concerned about these things and which will try to push them forward.

The same is true of the Department of Veterans Affairs. In the earlier years what we did met the bill, but there are needs now which are very pressing. Our veterans are older, and they need not just enough pension money or enough treatment to keep them alive; they need the best break we can possibly give them. The veterans themselves are becoming far more concerned about their potential widows today than they used to be because many of them are either on no disability pension at all or on disability pensions below 48 per cent, with the result that their widows will not qualify for pensions under the Pension Act. This is something which has to be pushed. It has been hard enough to get as far as we have come but, as I say, if we throw into the mix another bureaucracy the purpose of which is to say how much this department can have in terms of money and personnel, that is just going to slow the whole process down.

I have already mentioned the good work which is being done in the Department of Veterans Affairs to try to meet the conditions of older veterans. I know they are working on the War Veterans Allowance Act, a piece of legislation which needs, in the worst way, to be updated. It was brought in back in about 1930 as a service parallel to the old age pension of that day. The old age pension of that day was $20 a month payable at age 70 with a means test. The war veterans allowance was a little more, about $30 a month payable a few years younger but also with a means test. The result was that the veteran who could not establish a war disability could at least get something comparable to what the civilian could get, only a little better. Although the basic old age security pension today is without any means test—it is universal—the basic amount of the war veterans allowance is still subject to a means test. In my view that has to be changed. We have to move in the direction of a guaranteed annual income for veterans who have reached a certain age.

I am just throwing out some ideas which happen to be in my mind, but I know they are thought about and talked about in the Department of Veterans Affairs. That department is just as interested in advancing the welfare of veterans as any of us on the floor of this House, but the department now has the trouble that it has to sell its idea to the minister. That is the easiest part. The minister has to sell it to his cabinet colleagues. He has to sell it to the Treasury Board. He has to sell it to the Privy Council office. He has to get the Prime Minister (Mr. Trudeau) on his side, and now here is another bureaucracy stuck in between. He has to sell it to that bureaucracy too, and that bureaucracy is running around saying "no" to everybody else. I think it is a gross error.

The Minister of Employment and Immigration is another case. He is not one who has yet become the favourite minister to hon. members on this side of the House, but he has a pretty important job in terms of creating employment and training. This sort of thing costs money and calls for ideas. However, in addition to the Treasury Board, the Privy Council and all the others, he has to face this additional bureaucracy, which will tell him, "No, we do not have enough money in the envelope; you cannot have it".

● (1640)

That is why we are opposed to the motion. We do not think it does what the nice words in it say it is for. We do not think it is a move to advance the cause of social development. We think it is an underhanded way of providing an excuse for cutting back on expenditures on social programs, and that is why we do not like it.

I should like to add one other word. The hon. member for Rosedale, in that delightful speech of his in which he took us all back 20 years, said that the immediate effect of this resolution will be confusion. I know that in our own caucus we have a critic on pensions—guess who he is—we have a critic on health—and he is the boy who was in grade three 20 years ago—and then we have a critic on social policy who says to me, "After you fellows get through with pensions and health programs, what is there left for me?" We managed to sort it out. This does create confusion for us, but we know how to sort

these things out. But over there in the departments, in the public service generally, I suggest that this bureaucracy is going to add to the confusion. Nobody will quite know who is in charge. The picture will be that there is the Minister of Veterans Affairs, there is the Minister of National Health and Welfare, there is the Minister of National Defence, there is the Solicitor General and head of the RCMP, there is the Minister of Employment and Immigration, there is the Secretary of State, and these are all ministers concerned with programs and problems affecting people. They think they are producing the ideas, but no, their ideas get nowhere unless they get the okay of the super minister, the Minister of Justice with his new title of "Minister of State for Social Development".

Again I say that I am not worried about him as an individual—he is too nice a guy for me to worry about him—but who is busier over there than he is already? He is so busy with federal-provincial relations that he can hardly touch his work as Minister of Justice, and now the government give him another job, that of being a super minister over all the departments and functions that deal with social development. Again I say I think it is a gross mistake. It is adding bureaucracy to bureaucracy, and instead of advancing the cause of social development it will slow it down.

So, Mr. Speaker, because I do not think we would be as far ahead of where we were in 1960 as we are today if we had had this organization, I dread how slow progress will be in the next 20 years, and I hope the House will have the intelligence to say no to this resolution.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I am pleased to be able to participate in the debate on this motion to set up the Ministry of State for Social Development. No one can argue that there is a correlation between economic development and social progress or between justice in legal terms and justice in social terms, for without justice in social terms there is no justice.

I have listened to the interventions of my colleagues on the other side of the House as well as the intervention of the minister himself, and I want to congratulate the minister for bringing forth this motion today. I was rather intrigued by the lesson in history which we had from the hon. member for Rosedale (Mr. Crombie) but I want to compliment him on what appears to be a well-developed social conscience.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): I understand that the next speaker from his party to follow him will be the hon. member for St. John's East (Mr. McGrath), and I do not think that that member has to prove his sensitivity to social justice to anyone in the House.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): I hope that the attitudes they display will permeate their entire caucus and that the party will in fact support the establishment of a Ministry of State for Social Development.

I was also intrigued by the comments of the venerable member for Winnipeg North Centre (Mr. Knowles). However, it seems to me that his comments are a classic case of throwing out the baby with the bath water. Rather than being an impediment to the development of social programs and social justice in this country, it is indeed time we had a ministry whose responsibility it is to advance in a correlated manner the social development of the citizens of the nation. I do not believe that that can be accomplished adequately so long as all the various departments which the hon. member named are working without a proper kind of correlation among them. Rather than seeing this development as one that will place another obstacle in the way of obtaining funds from the public treasury for the development of necessary social programs, I look upon it as giving those departments, in cabinet and in the Treasury Board, another powerful advocate to promote and defend their cause and to see that the funds expended by the federal government are expended wisely to promote the social development of less advantaged individuals in our society.

I noticed also that the hon. member for Winnipeg North Centre has sneaked in his normal derogatory remarks about members' pensions and expenses when he was talking about the increases in old age security. That does not surprise me.

Miss Jewett: What was derogatory?

Mr. Dionne (Northumberland-Miramichi): I was surprised by the way he did it, because as an advocate of the rights of women and of children, which he has always been, it is surprising for him to think that the spouses and the children of members of Parliament should suffer because of the fact that we are here. But it seems to me that that is what he said. Also, he neglected to mention that today senior citizens have the advantage of having the Canada Pension Plan, which was not in effect in 1960.

Mr. Knowles: So have members of Parliament.

Mr. Dionne (Northumberland-Miramichi): He also neglected to mention how the salaries and pensions of those working in the private sector, and even of those who work in the public sector of our nation, have increased since 1960. I suggest to him that there is more correlation between the benefits of members of Parliament and those of members of the provincial legislatures than there is between those in the private sector and those in the public sector.

Mr. Benjamin: What is the point of that? You just lost me.

Mr. Dionne (Northumberland-Miramichi): Les, you were away for awhile and you have just come back. Catch up before you ask questions.

An hon. Member: Explain.

Mr. Dionne (Northumberland-Miramichi): I do not intend to speak for a long time.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): I thank members for the applause and I hope they will learn a lesson or two in brevity from me.

I want to point out that the development of a social policy has, in my view, two primary concerns. The first of those two concerns is the redistribution of wealth, and there are certain areas in which that redistribution must take place. It must take place among the regions of the country and, to its credit, the province of Ontario has always been one of the greatest givers in the redistribution of wealth. Of course, Ontario has had more of the benefits from confederation over the years than have the other provinces of this country, but that is not the fault of Ontario, it is a result of the policies that were designed in the beginning of this country, policies which were probably necessary at that time but which require refinement now.

There is the necessity for a redistribution of wealth among the provinces and, I am afraid, we see provinces more and more trying to compete one against the other, closing their borders one against the other and preventing the movement of labour and goods from one province to another. Those are dangerous activities that are harmful to the progress of a good social development policy for our country.

● (1650)

Also there is difficulty with the redistribution of wealth within the provinces. For instance, in my own province traditionally there has been a vast difference among areas of the province, particularly the two basic areas of the province, the northeast and the southwest. Traditionally, there has been much greater opportunity, much greater earning power and much greater wealth in the southwest than in the northeast. Giant strides were made in the 1960s to redress that problem. Much redress has taken place, but that is not to say that all the problems have been solved. I am sure the same applies to other provinces.

As I become more and more familiar with the province of Ontario, I see great disparities among various regions. I am told by people I meet from other provinces that the same applies there. So social justice requires that the federal government and the governments of the provinces have good, well-developed social policies.

Finally, in this regard there must be a redistribution of wealth among individuals. Of course, that is one of the main purposes of the income tax system that is often criticized and maligned, but without doubt is the fairest of all taxation systems because it taxes or should tax on the ability to pay. I am not sure it always works that way in Canada, but I suggest to the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) that he urge upon his colleagues in cabinet an immediate in-depth review of our income tax policies and a refinement of our income tax system so that in fact people and corporations will be paying income taxes based on their ability to pay and not on the basis of the loopholes they are able to find in the system.

Some hon. Members: Hear, hear!

Mr. Benjamin: Ask the CPR.

Mr. Dionne (Northumberland-Miramichi): I will not comment on the gibes from across the floor. The hon. member who intervened from his seat should have corrected the CPR when he was there.

Another area in which social policy and development is required is in protection, promotion and stability of our institutions of democracy, the family, education, the economy and the individual. I want to elaborate on those a little bit. It is impossible to hope for the continuation of democracy if one of the basic tenets of that democracy is not to bring about social equality among the people who live within that democratic system.

In that vein it is urgent that we as a government take steps to enhance the basis of Canadian society, that is, the family. There are many obstacles being placed today in the ability of the family to stay together, to work together and to grow together as the family did in the early days and certainly up until at least the end of the Second World War. Without the family there is really no basis for society, unless we want to go to the kind of communal living some societies have tried to develop and have found to be failures.

One important basis of the family is a respect for the heads of the family. I am referring to the father and the mother. If they are to have a strong family unit, it is important that they have the income to provide for their children the necessities of education, health care, proper nourishment and protection from the elements. Those are the most important things a social policy must provide. I suppose it would be scary if we knew the number of children who have died in this country prior to the introduction of hospitalization in 1960 or thereabouts and the introduction of medicare in 1970. They were not able to take the places they might have had in our society because their parents could not afford to take them to a doctor or to hospital, and because they were afraid of debts they would never be able to pay.

The next item with which I want to deal is the protection of our economy. I suppose I should have put that next to our system of democracy, because our economy cannot provide for the proper social development of the nation unless the economy is free, but not so free that it becomes our master rather than our servant. Of course, the economy of any nation should be the servant of the nation. Therefore, we must ensure that the growing number of multinational units in the economy are designed so that the government of the country in which they operate has effective control over them to ensure that they function in the interests of the nation and not just for their own interests.

Finally I want to deal with the rights of the individual. In a nation as blessed with wealth, resources and opportunities as ours, every individual has the right to be able to look forward,

to the pursuit of health, liberty and security. In order to do that again I say we must protect the institutions which support the individual. I believe no one will be able to deny that the institutions which have served us well need to be maintained and strengthened. No one can deny that we must have and continue to have a respect for the basic laws of our country which protect the rights of the individual. Sometimes those laws are used against the individual, nowadays very often in ways against which the individual cannot protect himself. One of the most dangerous things facing society and family life today is the insidious habit of some of our social institutions—and I am thinking particularly of hospitals—to grant to those people who wish it a system which in fact amounts to abortion on demand. Here again we are showing a disrespect for life and its great potential that we are not permitting to develop. When the Ministry of State for Social Development comes into being, I hope it will take priority—

The Acting Speaker (Mr. Ethier): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nepean-Carleton (Mr. Baker)—Public service—Rehiring of laid-off personnel; the hon. member for Halifax West (Mr. Crosby)—Air transport—Status of transport commission decision on Halifax-Toronto route; the hon. member for Churchill (Mr. Murphy)—Industry—Assistance to Inco plant.

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

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

CULTURAL AFFAIRS

CONTRIBUTION MADE BY CHINESE CANADIANS

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That this House recognizes the contribution made to the Canadian mosaic and culture by the people of Chinese background.

He said: Mr. Speaker, I am very proud to introduce into this Canadian House of Commons, the centre of our Canadian

democracy, the above resolution. I do so because this recognition is long overdue. In my speech here in this House this afternoon, Mr. Speaker, I will not only outline in a brief way the history of the Chinese in Canada, but will try as best as I am able to touch on the current problems and successes in the Canadian Chinese community today.

I am aware that the Canadian Chinese community is made up of Chinese Canadians from many diverse backgrounds. There are Chinese Canadians whose families have been in Canada for four generations—four generations, a fact that many other Canadians sometimes forget—and there are Chinese Canadians who came in the recent past from such places as China, Taiwan, Hong Kong and other countries.

Although the Chinese have contributed a great deal to the history and economic development of Canada, and in particular to my own province of British Columbia, it sometimes appears that the only thing most Canadians know about the Chinese is Chinatown and exotic Chinese food.

There are reasons for that, Mr. Speaker. One is that the Canadian government has effectively sealed away the history of the Chinese people in Canada, depriving them of history or "roots". In history courses in B.C. schools, for example, there is no mention of the Chinese. I find it unsatisfactory that children can go through our educational system and not know how Canada treated Chinese immigrants. That history, if properly presented, would show much hardship, discrimination and racism, but we could use it to our advantage. Only by showing that some of our ancestors were intolerant and bigoted and that their intolerance was based on ignorance can we start to deal with the problems of racism. That history will also show us an incredible struggle for equality.

Let me briefly summarize for this House of Commons some of that history. Between 1858 and 1923 there were two major influxes of Chinese people into Canada. In 1858 about 15,000 Chinese labourers came to build the Canadian Pacific Railway. Later another 20,000 came in the "gold rush" days. These early Chinese led a hard and miserable life and were regarded as strange people from a far-away land who willingly came to toil for long hours at extremely low wages and to provide abundant muscle power. But they were not allowed to have any involvement or influence in the country.

When some of the Chinese remained in the country and attempted to live a more reasonable life, the fear of the "yellow peril" became an issue. John Robson said in Vancouver in 1871, "Let this new empire be for our own race". In 1881 when a Chinese potato farmer was prevented by an inspector and five Caucasian workers from bringing a truckload of potatoes into the city of Vancouver, a scuffle ensued. The *British Colonist*, a newspaper, described the event: "John Chinaman is putting on airs". An 1887 poster on a Vancouver street announced: "The Chinese have come; mass meeting in the city hall tonight." Eventually these feelings led to the Chinatown riot in September, 1907, and the passage of a provincial act banning Chinese from employment. Already there was a "head tax" on every Chinese person; $50 in 1885 and $500 in 1903.

If members of this House of Commons find it difficult to believe there could be such a law as a head tax, they should also know that in 1923 the Chinese exclusion act was proclaimed. The act was so tough only a handful of Chinese entered Canada between 1923 and 1946. They were excluded from Canada. As a result, the total population of Chinese in Canada dwindled from over 46,000 in 1931 to under 35,000 in 1941. Chinese customers were refused service in so-called decent restaurants, not permitted to buy a home in the so-called good districts and were disqualified from taking up any professional training.

Very few non-Chinese challenged this racism. I am very proud of the fact that the forerunner of my New Democratic Party, the CCF party, did advocate the vote for the Chinese Canadians. I am sad to say the Liberals and the Conservatives of that day ran advertisements in the Vancouver newpapers saying: "A vote for the CCF is a vote for the Chinaman." As a matter of fact, in the *Daily Province* newspaper of Monday, October 7, 1935, the following ad appeared:

50,000 orientals in B.C. CCF party stands pledged to give them the vote! The Liberal party is opposed to giving these Orientals the vote. A vote for any CCF candidate is a vote to give the Chinaman and Japanese the same voting right that you have! A vote for a Liberal candidate is a vote against Oriental enfranchisement. Vote for your Liberal candidate!

In 1935, on October 10, in the *Daily Province* the Conservatives ran an ad as follows:

50,000 Orientals in British Columbia to whom neither the Conservative nor the Liberal party will give the vote. But, there are 40,000,000 Orientals in Japan who threaten Canada's workers and industry. Vote Conservative!

I personally believe that this, along with the deportation of Japanese Canadians, was the low point in Canadian political history. Let me make it clear; I do not suggest for one minute that members in this House of the parties represented here would follow those lines today, and I am inviting members of these parties to support this resolution today.

But the Chinese, with a sense of endurance, a respect for the law and their increased knowledge of the local community, survived the political persecution and gradually gained the support of the rest of the community. At first, however, the Chinese fell back to protect themselves. The organization that did this was the Chinese Benevolent Association, first registered as a non-profit organization in 1906 in Vancouver. The CBA was needed to protect the Chinese, provide for their needs, defend their interests and promote the general welfare of the Chinese people. In 1907 when the B.C. school board decided to bar Chinese school children from the public schools, the CBA built a school of its own. As Pat Chen, writing in the *Ubyssey* in an article entitled "Chinatown Fight", dated September 28, 1978, pointed out, during the race riots when some 30,000 bigots rampaged through Chinatown, the CBA demanded compensation from the Canadian government, petitioned against such unfair laws as the head tax and, during the depression, provided food, bedding, transit, and medicine for the old and sick.

In 1939 when Canada joined in World War II, in spite of the dismal record of discrimination toward them Chinese people rallied to the support of their adopted country and many enlisted in the armed forces. After the war, the Chinese exclusion act was repealed and Canadians of Chinese descent were enfranchised by the federal government in 1947 and by the B.C. provincial government in 1949.

From 1946, with the change of immigration law, Chinese Canadians were able to bring in their long-estranged wives and children—many after 20-25 years of separation. In 1967 we saw the end of Canada's openly discriminatory immigration laws. Asians were finally treated as equals to Europeans. From 1967 to 1975 another significant influx of Chinese immigrants came to Canada from many parts of the world, with a large component from Hong Kong. Included in this group were a large number with strong financial resources, professional and technical skills and good personal assets.

Much of this history of the Chinese in Canada is taken from a lecture by Dr. K. C. Li of Vancouver, reprinted in the March 18, 1980, issue of *Chinatown News*. Dr. Li notes that today Canadians of Chinese origin are part of the mosaic of this country. They are represented in every walk of life, including the professional fields. The greater number that remain in the traditional trades, such as grocers, vegetable farmers, launderers, skilled and unskilled labourers and restaurant operators, now work under better conditions than before. Chinese are scattered all over the country, although they still prefer to live in urban areas, particularly Vancouver and Toronto. The 1971 census recorded about 118,000 Chinese Canadians in the country with 44,000 in British Columbia. An updated figure suggests there may now be approximately 200,000 Chinese in the country.

• (1710)

Although the days of race riots, head taxes and harsh discrimination are thankfully over, Canada is still a prejudiced society. On behalf of the Chinese community, I raised in the House of Commons a short time ago the matter of the CTV network program "W-5", which in a televised program entitled "Campus Giveaway" portrayed Canadian students of Chinese origin as foreign students who were receiving a free education at the expense of Canadians. The program said that Chinese Canadians were taking up the space of Canadian students in universities. In the program were pictures of students who were, in effect, Canadian citizens. Of course, the viewers did not know otherwise and assumed these people to be foreigners.

Later CTV admitted that the program was "racist in tone and inaccurate in information". May I tell hon. members of this House that I talked to a Canadian-born lawyer of Chinese ancestry whose daughter was attending Simon Fraser University. This lawyer had switched from medicine to law to become one of the first Chinese Canadian lawyers. Now, a generation later, he feels for his daughter, who could easily be stereotyped a foreign student because of that TV program. This is simply unacceptable in Canada in the 1980s.

Last year, again on behalf of the Chinese community, I raised in the House of Commons communications committee the matter of the National Film Board film "Bamboo, Lions and Dragons". It was a portrait of the Chinese community in

Vancouver which many Chinese leaders found condescending, patronizing, inaccurate and portraying a false picture of the Chinese community. Typical of the over-simplification contained in the film was the suggestion that anyone of Chinese origin could telephone anyone across the continent having the same surname and be sure of receiving help. Another was that all new immigrants from Hong Kong were either professionals or from the merchant class. A third was that half of Vancouver harbour is covered with pleasure craft which are owned by the Chinese. The National Film Board should know better.

The battle is not over by any means, but I should tell this House of Commons that there is a renaissance, a growth today like never before in the Chinese Canadian community. The community is alive, active and participating as never before in Canadian life. They are not about to take discrimination or stereotyping any more. A large rally in Toronto, which was organized by my friend, Dr. Joseph Wong, and attended by my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), protested the "W-5" program. As a result, there was an apology.

In other places at other times the threat to the traditional cooking and serving of barcecued meats was met by petitions. The Chinese Benevolent Society was democratized. A beautiful Chinese cultural centre is being built in Vancouver. The community is blossoming in Toronto, Edmonton and Montreal.

In the riding adjacent to my riding, represented by the hon. member for Burnaby (Mr. Robinson), Canadians of Chinese origin have been farming some of the richest agricultural land in Canada. They have shown exceptional skills in the intensive truck farming of this valuable land. Our agricultural industry has learned a great deal about land management from these people, and these skills continue to be honed. My motion today is a recognition and encouragement of this progress by the Parliament of Canada.

The younger generation of Chinese have growing expectations, which is normal. They are increasingly turning to the larger society for fulfilment of personal and professional aspirations. There has been a worry that, in their quest for a better life, the young Chinese Canadians would be pulled into the mainstream of the dominant society. This has led to action to preserve and promote Chinese heritage and culture. Across the country Chinese cultural associations are being established. This, of course, is basic to the Canadian mosaic when a group tries to preserve its own culture within the larger context of the Canadian culture.

My friend, David Chong, who is a Vancouver lawyer, puts it rather well when he says, "The children of the immigrants of the 1950s are now graduating from universities in great numbers. They are going to do very well in the next decade in Canada, particularly in British Columbia." These young Canadians are not only entering the professions and businesses, but also the arts and sports activities. If David Chong has his usual good judgment, we will hear from these people. I think that this House of Commons should celebrate the energy and talent of these young Canadians.

It is true, Mr. Speaker, that there have been conflicts. The Chinese Benevolent Association matter in Vancouver which I spoke about is one. But I think that those days are gone by and that the culture and heritage appeal will be a cause to unify the community. I might say, since I have many Chinese Canadians in my own riding of Vancouver-Kingsway, that I feel the role of a member of Parliament is to aid his community by listening to its people, not by interfering in that community. That is why I am trying to bring the House up to date on developments in the Chinese community in Canada.

One of my constituents, a teenager named Barry Hong, who worked for me briefly last year and has now gone temporarily to Hong Kong to teach English and "to find his roots", has given me, an outsider, a bit of an inside look at the present and future of the Chinese community. He wrote this for me, and I would like to share it with hon. members of the House of Commons:

> One of the problems Chinese Canadians face is the never-ending quest for identity. At least once in his lifetime, a Chinese Canadian born in Canada will have encountered this mind-crippling dilemma. Caught between two worlds, being neither Chinese nor completely Canadian, since neither group fully accepts him, the Chinese Canadian is in an awkward, if unique, position. In an attempt to deny his Chinese heritage, the Chinese Canadian, when faced with this identity problem, tends to view assimilation into white society as the solution. What Chinese Canadians should be aware of is that although the process of assimilation may be inevitable, they should at least know where they are coming from.

I think my young friend knows where he is coming from, and he is achieving what I hope the future holds for all Chinese Canadians—the full and equal rights, responsibilities and privileges of any other Canadian regardless of race, together with the value of the Chinese heritage. Or, as Dr. Li says:

> Generally speaking, citizens of Chinese origin place great emphasis on respecting the law, respecting seniors, on peaceful co-existence with others, on the virtue of productive work, on the virtue of sound education and on the virtue of avoiding over-indulgence of alcoholism and drug use.

There is a Chinese saying that one step is the beginning of a journey of a thousand days. We in the House of Commons cannot change the past, but we can recognize the toil given to this country by people of Chinese background, and we can anticipate, optimistically, their future. We can, above all, associate ourselves with the struggle for equality by Chinese Canadians. In the words of Normie Kwong of Calgary, the chairman of the Canadian Consultative Council on Multiculturalism, "Our settlement and progress as a nation have been a shared achievement". I urge the House to adopt this motion.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I would like to lend my support to this resolution. I will not take up too much time because it is my understanding that it will receive quick passage. All hon. members have Chinese constituents in their riding.

I do not intend to make a political speech as my friend, the armchair socialist, has done. I take exception to some of his remarks but I will not talk about those exceptions right now. The resolution itself is great. It reads as follows:

Canadian Culture

That this House recognizes the contribution made to the Canadian mosaic and culture by the people of Chinese background.

The motion is long overdue. I congratulate the hon. member for Vancouver-Kingsway (Mr. Waddell) for moving it today.

• (1720)

When we think of the contributions made to the development of Canada by people of Chinese background, we are tempted to dwell on their involvement with the railways. It is not often mentioned that parallel to the development of the railways were the lumber and mining industries, which also opened up the west, and that they employed many people of Chinese background.

In view of the hard work done by these people and their obvious desire to contribute to the development of Canada, it is unfortunate that the Liberal government of the day saw fit to pass such discriminatory laws as the Chinese exclusion act. It was not until the 1940s that such laws were repealed and people of Chinese background were able to receive full citizenship.

Undaunted by the many obstacles they faced in their adopted country, these people concentrated on the education of their families to the point that today they have achieved the distinction of being one of the most highly educated of the ethnocultural groups in Canada, having among their numbers many lawyers, doctors and scientists. Their contributions in the fields of science and medicine are outstanding. Who has not heard of Normie Kwong, Canada's outstanding athlete, who was raised in Calgary and became famous in Edmonton?

Mr. Knowles: Were you team-mates?

Mr. Paproski: The hon. member for Winnipeg North Centre (Mr. Knowles) asks if I was a team-mate of the "China Clipper". I was, and I must say that I contributed to his success. After all, there had to be somebody to block for him!

Mr. Knowles: They don't come any better.

Mr. Paproski: Mr. Kwong is president of the new National Hockey League football club, the Calgary Flames. It was the Progressive Conservative Party under its present leader that appointed Mr. Kwong president of the Canadian Consultative Council on Multiculturalism, which is not only a recognition of the man but of the community. He is a great man and an outstanding Canadian. Their achievements have put the people of Chinese background in the category of one of the most rapidly developing groups of Canadian citizens.

As hon. members know, Mr. Speaker, we of Canadian Polish or Ukrainian background like our cabbage rolls but during the last war we could not get the rice for them. We had many Chinese friends in our neighbourhood, however, who received a weekly ration of rice and they were good enough to pass it along to the Polish and Ukrainian communities so that they could have their cabbage rolls. In return, we gave them all the butter and anything else they wanted. So it was a form of barter.

I do not intend to take up any more time of the House, Mr. Speaker, as I know other hon. members wish to speak on this resolution. I trust that it will be passed as soon as the hon. member for Spadina (Mr. Stollery) has spoken.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, as the representative of the riding with one of the largest Chinese communities in the western hemisphere, I regard it as an honour to support the motion before the House, and I congratulate the hon. member for Vancouver-Kingsway (Mr. Waddell) for bringing it forward. My remarks will be brief so that the motion may be put and passed.

After listening to the hon. member describe the history of the Chinese community in Vancouver, I should like to bring to his attention the fact that the Chinese community in eastern Canada has quite a different history. The Chinese in Toronto came from the eastern United States before the CPR was finished. They were artisans who did the kind of handwork that was not too readily available in the Canada of that time. In fact, the earliest Chinese as far as we can discover was a goldsmith in Toronto who specialized in making particular kinds of religious articles.

The Chinese community which had settled around York Street in Toronto in the 1870s and 1880s went through a bad period brought about by the Chinese exclusion act mentioned by the hon. member and the extraordinary persecution of people with oriental backgrounds. They were subjected to this persecution not only in North America but in the rest of the occidental world, I believe, until World War II. The United States had passed laws similar to ours against people of Chinese and Japanese backgrounds.

Most of the Orientals who originally came to Canada were males who worked hard and sent money back to China and Japan. As there were very few females, there were consequently very few children. The laws which prevented more Chinese coming to Canada were a gross form of discrimination and an expression of an attitude that wanted the Chinese community to disappear.

A couple of years ago I wrote an article about the history of Toronto's Chinatown for the magazine *Toronto Life*, which I would recommend to the hon. member. I am sure many hon. members know that it is not too long ago that the single men from Chinatown used to stand around street corners because they had nothing else to do, the government having forbidden the entry of their families to this country. This was a dreadful and unprecedented example of discrimination that we have a hard time understanding today.

Hon. members might like to consult the debates that took place in this House on the subject many years ago. I believe it was an hon. member from Saint John in New Brunswick who around 1910 said things about people of Chinese background that today we would find it hard to believe could be said by a normal individual about others who live in this country. That kind of thing that went on for so long and with which we are familiar is the reason why a motion such as this is particularly

appropriate. It talks about the Chinese and Japanese, the Oriental Canadians who for so long were discriminated against in such a gross manner in Canada and in almost all western countries.

• (1730)

I have had the honour of visiting that part of China from where most Chinese Canadians come. There is an interesting feature about those who have come here from China. Until recently, most came from the province of Canton which has 100 counties. That province has the same population as Canada. Until recently, 90 per cent of those Chinese who came to North America came from only one out of the 100 counties, the county of Toishan.

That place is not far from Hong Kong. However, it involves a rather difficult sea voyage. When I visited the county of Toishan four or five years ago, I was taken to a village. There are 450 people who live in that village, and 453 from that village who now live outside China. It was interesting to see photographs in the houses in that small village in rural China showing relatives standing outside their house in Don Mills, Ontario, in a Canadian winter.

The story of the trials of those Chinese who emigrated to Canada starting in the mid-nineteenth century is incredible. There were many acts of discrimination against them, particularly in British Columbia. I do not think any other areas has quite as bad a record.

The poll tax in British Columbia and the race riots around the turn of the century were not very inspiring. I know the situation has changed dramatically. As I say, it was a sad story.

Approximately two weeks ago a man who has lived in Canada for 77 years visited my Toronto office. He is now 97 years old and still has his certificate from when he had to pay the poll tax. Fortunately, he got back in before the cut-off in 1922 from one of his visits to China. Because of the exclusion act, he was not able to bring over any of his family. At 97 years old, he lives alone in Toronto. Most of his family in China have died. It is not very nice to see those certificates from our past. That man had a special passport that was not given to any Canadians other than those of Chinese background.

The hon. member spoke about the tremendous contribution the Chinese had made to Canada. The Chinese community is going through a tremendous growth period in Canada. It is making an enormous impact for the good on our multicultural country.

It is with sadness when one looks over the past year at an advertisement that appeared in *The Globe and Mail,* paid for by the National Citizens Coalition. It concerned the Vietnamese refugee situation. It was nasty and provoked a racist reaction against people of Oriental background. That was followed by a program on "W-5", which our Minister of State for Multiculturalism (Mr. Fleming) worked very hard to resolve. We are very happy that CTV made an apology.

Mr. Paproski: On a point of order, Mr. Speaker, I just want to say to the hon. member that it was the multicultural minister of the day who solved that problem.

Mr. Stollery: I am not going to get into an argument with the former minister of multiculturalism. I do not care which minister solved the problem. I hope he had some role in resolving it before his government was defeated in December. However, as the actual apology was not delivered until a couple of month ago, it would be technically difficult for him to have had as much a role as he would like to imagine. However, I do congratulate him. I am sure he worked very hard to correct the implications in that program.

The motion before us gives us, as members of the Canadian House of Commons, an opportunity to express our dismay at the discrimination against these people. I hope we are not looking at a new period of discrimination. I do not think so. We have to be positive. As members of Parliament, we must protest against this kind of discrimination starting once more.

Again, I wish to take this opportunity to register my disgust at some of what has gone over the airways in the past year, as well as the advertisement sponsored by the National Citizens Coalition, implying that those of Oriental background would not make as good immigrants to Canada as anyone else, even though we are supposed to have a non-discriminatory policy. Generally speaking, we do have a non-discriminatory policy. I thank the hon. member for giving us this opportunity to say a few words on this subject. It is immensely interesting and complex, and I thank him for once more bringing it to our attention. We on this side will certainly support the motion.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I will certainly complete my remarks well within the time allotted because I too would like to see this motion voted on and passed. I cannot let the opportunity go by without paying tribute to those Canadians of Chinese origin. The motion mentions their contribution to the mosaic.

• (1740)

I would like to thank the hundreds of Chinese people who came to this country in the early years. For many years they were the only ones who operated restaurants in our small towns, and laundries in small and larger towns. I do not know what we would have done during the hungry thirties for a cup of coffee in many places in this country had it not been for the Chinese people. There are many stories told about Chinese restaurants, but most people in their hearts really appreciated what the Canadians of Chinese origin did with regard to feeding the rest of us during those hard years.

The attributes of the Chinese people are qualities for which we should all be grateful. I go as far as to say we can all learn from them. They are hard workers; they do not expect handouts from government. They work hard and try to earn their keep. They want to contribute to their country and they want a good life for themselves. I congratulate them for that. Another attribute is respect. I do not know any race of people which shows greater respect for the aged, for parents, grandparents,

and the things that are good. I hope we can bring more of that spirit into our mosaic of cultures in this country.

We can learn, as I say, from Canadians of Chinese origin. I like their long memories. I have never known a Canadian of Chinese origin to forget a good turn that was done for him or for his family. Years afterward they will continue to express thanks and make gifts to the person who brought about something that pleased them. Then there is their public spirit, their desire to contribute to a greater Canada. Again, this is an attribute we might all try to emulate.

I think of people of Chinese origin in Edmonton, men like Victor Mah and Ned Lee and Tom Mack, who came over and made good by dint of hard work and who, today, are contributing to the sports world, to the food servicing world, and to the worlds of arts, medicine, and science. I remember going to the first Grey Cup game which was played in Vancouver. The Edmonton Eskimos were playing the Montreal Alouettes. I sat behind a large group of Canadians of Chinese origin. There was a tremendous finale to that game when Normie Kwong by dint of his boxcar strength pushed himself across the line and won the game for Edmonton. The crowd went wild. There was a Canadian of Chinese origin in front of me. If he was a year old, he was 90, and he jumped up and down and said, "He my uncle! He my uncle!" He wanted to establish a relationship with Normie Kwong. Afterward I saw boys of all ancestry stroking Normie Kwong's jacket. They had respect for this young man who had done so much in the world of sport.

I remember Normie Kwong saying to me once when I was in Highways in Alberta, "Would you please get that highway to Calgary fixed up and paved because I have to get down there to clean your shirts?" He operated a laundry there, and he had a tremendous sense of humour.

My thought in supporting this motion is that some of these attributes will, as time goes on, play an important part in the Canadian mosaic—hard work, respect, long memories. And if the dragon depicts all those things let us make sure that the dragon, or whatever the Canadians of Chinese origin wish, becomes part of our great Canadian mosaic.

Some hon. Members: Question!

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

Some hon. Members: Agreed.

Motion (Mr. Waddell) agreed to.

Some hon. Members: Six o'clock!

The Acting Speaker (Mr. Ethier): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

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

At 5.46 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ADMINISTRATION

DECREE RESPECTING ESTABLISHMENT OF DEPARTMENT OF SOCIAL DEVELOPMENT

The House resumed consideration of the motion of Mr. Pinard (for Mr. Trudeau):

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander-in-Chief of Canada:

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

The Acting Speaker (Mr. Blaker): When the debate on item No. 1 under government business was interrupted at five o'clock this afternoon, the hon. member for Northumberland-Miramichi (Mr. Dionne) had the floor. That hon. member is not present; therefore, we will move on to the next hon. member who seeks the floor.

Hon. James A. McGrath (St. John's East): Mr. Speaker, I believe that this is a very important debate and that it deserves far more attention than it received from the minister who is the sponsor of this resolution today. It might be well to refer to the order in council, which really is the heart and soul of the resolution which is now before the House and which, in fact, sets out the terms of reference for the new ministry of state for social development. If we read the terms in the order in council, we find that the new minister, and I quote:

(a) —shall advise on the allocation of financial, personnel and other resources to federal programs that provide support to the welfare of the individual and social development in Canada;

(b) he shall develop approaches to improve and to integrate the delivery of social benefits to Canadians;

(c) he shall lead and co-ordinate the efforts of the Government of Canada to establish and to clarify co-operative relationships with the provinces and with public and private organizations, to foster conditions that allow and assist the development of the individual, the family and the community; and

(d) in respect of research and policy development he may,

(i) initiate and co-ordinate research and policy studies,

(ii) initiate proposals for new policies, programs and activities, and

(iii) evaluate existing and proposed policies, programs and activities to ensure their consistency with federal social development policies and recommend changes therein.

The terms set out in (c) are of crucial importance.

This is more than just another ministry. This is much more than another bureaucracy we are putting together today. I was surprised to hear my good friend, the esteemed and hon.

member for Winnipeg North Centre (Mr. Knowles), in his speech today indicating that he and his colleagues were going to oppose this resolution. He set out his reasons for doing so. Quite frankly, I found it difficult to appreciate what he was saying because what he was saying, in effect, was that he was opposed to this kind of planning and co-ordination. It has to be a first for this House when the distinguished and learned member who is the spokesman for the NDP on matters relating to all aspects of social policy indicates that, in this particular field, he is against the kind of planning that is called for in this resolution.

We support the resolution. We support it because we believe that this kind of planning and co-ordination of social programs is vitally essential. What concerns us, however, is what appears to be the rather indifferent approach of the government to the proposal setting up the new ministry.

For example, the Minister of National Health and Welfare (Miss Bégin), who has a very important role to play in this program and who, indeed, will have to develop a very special kind of relationship with the new minister of state for social development, was not in her seat today. I am sure that the minister has very important public business which is keeping her elsewhere, but the fact is that when we raised this question in the standing committee on Friday last, when we had the minister before us with her estimates, she indicated to us in reply to a question as to just exactly what was the relationship of her portfolio with the new ministry of state for social development that these questions would be addressed when the debate was before the House on Monday. I listened very carefully to the Minister of Justice (Mr. Chrétien). He made no reference whatsoever to his role as he sees it vis-à-vis the role of the Minister of National Health and Welfare.

When we consider that the Minister of National Health and Welfare, apart from perhaps veterans affairs and certain responsibilities relating to the Ministry of Indian Affairs and Northern Development, is vested under the statutes of this House with the responsibility of preparing and delivering social programs in this country, it is difficult to understand how the Minister of Justice could rise in his place today and speak as he did without defining just exactly what the role of the Minister of National Health and Welfare is vis-à-vis the new ministry of state for social development. Indeed, I would expect, considering that this is only a seven-hour debate, that the minister would be in her place and would speak to this very problem because that is the one aspect of the proposal before us which, quite frankly, disturbs me and, I believe, disturbs other members of the House.

● (2010)

As I see it, what we are doing today is institutionalizing a cabinet organization structure, but in so doing we are developing a new responsibility for a minister who is already, in my view, overburdened. We are going to burden a minister who has the responsibility for the administration of justice and the responsibility for federal-provincial relations—he is, in fact, the Minister of State for Federal-Provincial Relations—a minister who is charged with the responsibility of constitutional renewal—with another responsibility which, in my opinion, will make the role of the Minister of National Health and Welfare extremely difficult. It would seem to me to be logical and eminently sensible that the responsibility should be vested in the Minister of National Health and Welfare. She would then be in a position not only to discharge her own responsibilities with regard to social programs in Canada but she would be better able to co-ordinate the social policy programs of the other departments.

Reference was made by my colleague, the member for Rosedale (Mr. Crombie), with respect to the relationship of social policy and economic policy. Indeed, you cannot divorce the two. We are talking in the House about doing away with indexing in income tax, for example. That will have a direct impact upon the working poor of the country. When we talk about the relationship of economic policy with social policy, does this mean that the minister of state for social development will operate within the cabinet structure, completely removed from the economic development committee? What will be the relationship between the minister of state and the economic development committee of the cabinet? The minister, in his remarks today, did not touch on that aspect.

It is interesting that the Canadian Council of Social Development, which will be commencing its national meeting in St. John's tomorrow, made reference to this in one of the working papers. It said:

> —the objectives, means and consequences of social and economic policies are increasingly intertwined as never before. The need for public policymakers to deal simultaneously with social and economic policies will be a major challenge of the 1980s.

I hope, sir, that we will have somebody from the government side of the House, either the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Weatherhead), or the Parliamentary Secretary to the Minister of Justice (Mr. Robinson), or perhaps the Minister of Finance (Mr. MacEachen) himself, speak on the role and the responsibility that are now about to be assumed by the Minister of Justice, in regard to the co-ordination of the social programs of the government with the economic development programs.

For example, we can think of a number of departments which have an impact on the working poor of Canada, an impact on social programs. Coming as I do from the Atlantic provinces, I can think of the Department of Regional Economic Expansion and its ongoing pursuit to end regional disparities in this country. Surely one would expect regional development programs not to operate in isolation from the over-all social development goals of the government. Yet there is no indication of how that kind of co-ordination is to take place.

Of course we can go on to think of the Minister of Employment and Immigration (Mr. Axworthy) who, I presume, is a member of the economic development committee of the cabinet. Here is a minister whose programs and policies have a direct impact on social programs, and yet that minister will not be a part of the social development committee, as I understand it.

I can go on down the list. The Department of Fisheries and Oceans, for example, which has a direct impact upon the rural areas of Atlantic Canada and a direct impact on the social welfare of these rural areas, surely is another department which cannot operate in isolation. Other such departments are the Department of National Revenue, the Department of Finance, the Department of Industry, Trade and Commerce, Treasury Board, Canada Mortgage and Housing Corporation and, of course, the Department of Veterans Affairs. So there is, and there must be, a very special relationship between social policy development and economic policy development, yet that fact was not spelled out nor indeed was it even alluded to by the minister when he introduced the resolution in the House today.

I am sorry that the Minister of National Health and Welfare is not in her place tonight because there are a number of studies and reports which she has tabled in the House on which no actions has been taken. I should like to know, for example, what the role of the new minister of state for social development will be with regard to the implementation of the recommendations in these reports. Let us think, for example, of the report of the task force on retirement income policy which was tabled in the House on April 21. Yet we have had no indication from the Minister of National Health and Welfare of what she proposed to do with the recommendations set out in the report of the task force. I tried, by way of a motion under Standing Order 43, to have the report referred by the House to the Standing Committee on Health, Welfare and Social Affairs. At least this would have given the House an opportunity to be seized of the recommendations of this very important report. Unfortunately, the necessary consensus was not forthcoming. Is this report to go the way of all reports?

I can go back in memory to a number of reports, which have a direct impact on social policy, which have been commissioned by the House and the other place, such as, for example, the Senate report of 1972 having to do with retirement policy. What has become of the recommendations in that report? As I recall it, the report was the result of some very substantial and intensive hearings held by the Senate committee. It was an excellent report which I would commend to the minister of state for social development.

I come to another report which was tabled in the House by the Minister of National Health and Welfare on May 30, namely, the report of the Canadian Commission for the International Year of the Child. That report has some very important recommendations. We were given to understand that this report would at least be the subject of a reference by the government to the Standing Committee on Health, Welfare and Social Affairs. Indeed, the agenda worked out by the standing committee makes provision for the committee to take up the report. Quite frankly, we are supposed, according to that schedule, to be dealing with that report tomorrow. Yet, of course, we cannot deal with it in the absence of a reference by the House to the standing committee.

One of the important recommendations in that report is recommendation 14.4 which reads:

> The federal government establish a responsibility centre within the most appropriate federal structure to examine and initiate legislation and departmental policies affecting children. This centre should have a co-ordinator with deputy minister status and a policy link with cabinet.

Is the report of this very important commission to be the responsibility of the Minister of National Health and Welfare, or is it to be part of the ongoing co-ordinating responsibilities of the new minister of state for social development?

● (2020)

Speaking of the report of the Commission for the International Year of the Child reminds me of an initiative I took in the Thirtieth Parliament. The Parliamentary Secretary to the Minister of Justice and Minister of State for Social Development will recall that, because he was a member of the committee at the time. It was a bill dealing with a bill of rights for children. It was referred to committee. Although we had exhaustive hearings and heard many witnesses, events overtook us and the report of the committee died with the Thirtieth Parliament. It is interesting to reflect upon the recommendations of the draft report. I underline the fact that it was only a draft report; it was never accepted by the committee. I should like to refer to recommendation No. 1 of the draft report which reads as follows:

> The federal Minister of Justice should examine the Criminal Code, the Juvenile Delinquents Act and the Divorce Act, as well as all other federal legislation affecting children, to ensure that their rights and entitlements are clearly enunciated. Where his study reveals this not to be the case, he should introduce remedial legislation in Parliament to ensure that this goal is attained.

It goes on to recommend that the minister meet with his provincial counterparts to discuss areas of overlapping jurisdiction.

Recommendation No. 3 reads as follows:

> The federal government should convene a federal-provincial conference on "Children's Rights in a Changing Society" before the end of the International Year of the Child.

The International Year of the Child is gone; it is behind us. All we have now are the recommendations contained in the report of the task force. I want to place special emphasis on this because I believe it to be very important. Interestingly enough, in his speech today the minister made reference to the fact that we have more poor children in Canada today than ten years ago. That speaks to a problem of income distribution. I realize the government has already brought in the child tax credit plan, which I think is an excellent program. In terms of addressing the problem of poor families, the child tax credit program tends to benefit more the middle-income families in Canada. Quite frankly, that is something about which we should be thinking in this Parliament.

Before this seven-hour debate concludes—and it is only a seven-hour debate—I hope the Minister of National Health and Welfare will be in her place in the House so that she can address some of these questions.

I have referred to two or three studies which have been made on social policies. There is a whole array of studies commissioned by the House, the government and the other place over the past decade. They have been pigeon-holed and

left to gather dust, while we still do not have a co-ordinated approach to the development of social policy. As I indicated at the commencement of my remarks, that is one of the reasons why I feel this resolution should commend itself to the House. It should commend itself to the House because surely the time has come when we must address all the problems which have been the subject of various studies and, quite frankly, will not go away.

I am referring to the problem of the single parent family, for example. It speaks to special housing policies which we should have devised to provide for single parent families that are on the increase in Canada as a result of changes in our society.

We have heard reference made to the problems of the elderly and the inadequacies of the present system to address those problems. Last week there was another increase in the cost of living. If one takes a look at the increases in the consumer price index over the years and compares them to the increases, for example, in the old age assistance program under the indexing provisions, one will find that the gap is growing wider and wider. Old people in this country are finding it more and more difficult to cope as inflation continues to be a serious problem. Of course there are the problems of working women and families where both spouses are required to work because of inflation.

Also there are income disparities between the sexes which have been the subject of a study by the Human Rights Commission. It speaks to inadequacies in the government service itself where we have allowed this injustice not only to continue but indeed it would seem as if we are condoning it by allowing, for example, a situation to develop in the public service where women are paid less for the same kind of work.

These are just some of the very many problems which I believe are important. Hopefully we will find the kind of co-ordination called for in this resolution to ensure that these problems are in fact addressed by the government.

I am concerned because the government has seen fit to give the responsibility for the co-ordination of social policy to a minister who, in my opinion, is already overworked. He has more to do than any minister should be expected to do, when one considers the responsibilities of constitutional renewal, the responsibilities of dealing with the provinces on revisions of the constitution, the responsibilities of federal-provincial relations, and the responsibilities in the administration of justice.

These are serious problems that we are talking about in this debate. We are talking about the problems of the working poor and the elderly. We are talking about the social plight of retired single women. We do not seem to be able to address it, although we have made a half-hearted attempt at it in terms of the spouse's allowance that I am pleased to say was one of the first bills introduced by the government of which I was a member.

We have not addressed the problems respecting the Canada Pension Plan. If my memory serves me correctly, an undertaking was made by the government over there that it would make it possible for the homemaking spouse, who, by and large, happens to be the housewife, the mother of the family or the female spouse, to qualify for benefits under the Canada Pension Plan. In my view it would certainly go a long way down the road in addressing the problems faced by women as they reach retirement age. I recall a speech that was made most eloquently on this subject by the hon. member for Kingston and the Islands (Miss MacDonald) during the Thirtieth Parliament. I can tell the House that we as a government were well under way to making provision for the homemaking spouse to qualify under the Canadian Pension Plan. We hear suggestions from time to time that the Canada Pension Plan itself is in trouble, that down the road, as more and more people retire and look to the plan for retirement benefits, it may not be able to deliver. On an actuarial basis I am told the plan is not in a very healthy condition.

The principal problem which concerns some of my colleagues and me is the very special relationship which must exist between the Minister of National Health and Welfare and the new minister of state for social development. I doubt very much whether we will have the opportunity before the seven hours lapse to hear from the minister, because I understand she is going to Newfoundland tomorrow where she will be participating in the opening ceremonies of the national meeting of the Canadian Council of Social Development. Perhaps we will have that opportunity when she once again appears before the committee, because I believe this is a problem that certainly should be addressed before we are called upon to vote on this resolution. In any event, Mr. Speaker, on behalf of my colleagues let me say that we intend to support the resolution, with some of the reservations I have placed before the House.

* * *

● (2030)

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF FORMER QUEBEC MINISTER

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. parliamentary secretary I wonder if I might call upon all hon. members to recognize, as is the tradition in our House, a distinguished visitor now sitting in the Speaker's gallery, the former minister of consumer and corporate affairs for the province of Quebec, the Hon. Bill Tetley.

Some hon. Members: Hear, hear!

* * *

GOVERNMENT ADMINISTRATION

DECREE RESPECTING ESTABLISHMENT OF DEPARTMENT OF SOCIAL DEVELOPMENT

The House resumed consideration of the motion of Mr. Pinard (for Mr. Trudeau):

Social Development Ministry

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander-in-Chief of Canada:

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I rise today to lend my support to the motion by the Minister of Justice and Minister of State for Social Development (Mr. Chrétien), a motion which, if passed by this House, would create a new, small, co-ordinating social policy secretariat to be known as the ministry of state for social development.

I would like to take this occasion to explain why I feel the establishment of this new agency is essential in order to improve the economy, efficiency, effectiveness and control of federal activities in the area of social policy.

I listened with great interest today to the hon. member for Rosedale (Mr. Crombie) who said a number of things. In particular, I was almost entranced by his taste of nostalgia for the 1960s, his reflections, if you like, on what was happening in Canada some 20 years ago. He suggested in effect that change should not be taken just for the sake of change, but rather change in society, a change for a return to the family and changes that would take place in the workplace. I think all of these are somewhat idealistic. However, they are achievable and are things we are all looking forward to in the not too distant future.

The government too is looking for change, not change just for the sake of change, but change to something worthwhile for all Canadians. The hon. member for Rosedale also mentioned that we need to have economic and social policy. Let me mention to the hon. member that I have been a member of the social planning council of metropolitan Toronto for 14 consecutive years and have worked toward this end for a great deal of time. I would suggest to him that we have to put the practical and the theoretical together, and what we are really talking about is not just economic and social policy, but public policy; it is for everybody.

The hon. member also mentioned there was considerable disparity. I suggest to him that the disparity could have been a great deal worse if in fact we had not put into place some of the programs we have put into place over the years from 1960 to 1980, for instance, the transfer programs from the federal government to the provincial governments. Had this not taken place I really wonder what might have happened so far as the provinces are concerned.

The hon. member talked about co-ops. I would say to him that, as far as co-op housing is concerned, the first co-op housing project in Etobicoke, the borough where I live, is in my riding of Etobicoke-Lakeshore, and it was the first one funded under the bill proposed by the Liberals when they were last in power. There was nothing done in the last short Parliament, unfortunately. I am not blaming the former Parliament for that. I think it would have liked to have done more. I just suggest to the hon. member that I too feel this kind of social consciousness as far as co-op housing is concerned, and I was very pleased, indeed, that the first one in Etobicoke was located in my riding.

The hon. member also talked about power and influence. I suggest it is very difficult to have one without the other. What we have been doing federally for a long period of time is to give money by way of transfer payments to the provinces. We have the power to give away the money, we have the power to raise the money, but we do not have much influence on how they carry out programs once they receive the funds. This is something we may have to address. This is a good point brought before the House today. It is something we will have to look at in the future when we are talking about transfer payments to the provinces. Certainly we can learn from the past, and we can look into the future. I agree with him to some extent in this regard.

I was, however, somewhat disappointed by the pessimistic approach taken by the hon. member for Winnipeg North Centre (Mr. Knowles). It is not usual for him to take this approach. I would have thought he might have looked at this organization, this new responsibility, as one that would co-ordinate efforts which up until now seem to have been somewhat helter-skelter. It seems to me this proposal is one step in the right direction. He talked about senior citizens, veterans, mothers and so on. I am not suggesting we should have a department for each, but we should certainly have a co-ordinating process. It seems to me this new office we are suggesting, that of social development, is a step in the right direction, and hopefully it will not slow the process, but rather will hurry it. There will not be cutbacks but there may be some savings. There will be co-ordination which I think will be in the best interests of all Canadians.

In my view this new department will be concerned about responsibility, and we have a responsibility in this House to see how our departments are spending the money. If we cannot make the department officials responsible for how they spend the money, then certainly we as parliamentarians and politicians responsible to the taxpayers have to be concerned about how we and how the departments spend it.

Mr. Knowles: What does the Treasury Board do now?

Mr. Robinson (Etobicoke-Lakeshore): I am not so sure it is co-ordinated the way it should be, and as I understand it that is the reason for the department.

Some hon. Members: Oh, oh!

Mr. Robinson (Etobicoke-Lakeshore): The hon. member for Winnipeg North Centre has even suggested that we might have a department for senior citizens. I suppose that would add additional bureaucracy as well. Believe me, I am not one to consider adding bureaucracy for the sake of adding bureaucracy, because we have enough of it already. However, if we can do this from the point of view of having some

influence on our planning, progress, and programs, then I think this may be a step in the right direction. I will support it, but I will want to take a good look at it, just the same as hon. members over there.

I want to say to the hon. member for St. John's East (Mr. McGrath) I was disappointed when he suggested there might be an indifferent approach on the part of members on this side of the House. I do not think that is the case, and it certainly is not from my point of view. I certainly know that is not the intention of the minister either. It is true we would like to see the Minister of National Health and Welfare (Miss Bégin) take part in this debate. I assume that she will, but I know there are certain representations to be made on her behalf as the minister, and certain on behalf of her department.

I do appreciate, however, the hon. member's support for this motion. As I said before, I think this is a step in the right direction. There is no question that the Minister of Justice is, as you have pointed out, somewhat overworked. He has very many responsibilities, but he is capable and competent, and he is prepared to take on this task. I am sure he will do a good job on this as he has on other jobs.

Let me also mention to the hon. member for St. John's East that I appreciate his concern about children. He has a social concience, but we on this side do too, and I think he will agree with me that when we have discussed matters concerning child abuse and others concerning health and welfare, we have pretty well agreed that this is the kind of thing with which we want to deal. It is unfortunate, however, that more action had not been taken on the task force report with regard to the international year of the child. Maybe in due course this kind of thing can be addressed as well.

In addition, let me say with regard to his suggestion concerning the single-parent family and other groups in society which have not been considered as much as they ought to have been in the past, hopefully under this new departmental arrangement that subject will be addressed as well. I will certainly make every effort I can to see that many of these things are addressed in the proper way.

As a country, Canada is a miracle and an enigma. In spite of physical barriers, a hard climate, a sparse population, linguistic and cultural diversity, and the homogenizing influence of our powerful neighbour to the south, Canadians have for over 100 years bonded together to develop this land and to share its benefits. They have built for us a peaceable country of opportunity unequalled anywhere else in the world. The better life enjoyed by Canadians is possible in no small measure because of the social policies they have collectively instituted through their municipal, provincial, and federal governments.

Today, Canadians are guaranteed a minimum income and minimum social services essential to ensuring at least a minimal necessary quality of life through our social welfare and social services programs. Through the federal old age, veterans, blindness and disability pension systems, through federal unemployment insurance and through provincial workman's compensation, the economic insecurity which can result from life's contingencies has been greatly alleviated.

● (2040)

Through federal-provincial co-operation in funding and providing essential health services, and through federal-provincial and municipal co-operation in support of education, Canadians are assured equal access to the means of maintaining a healthy existence and securing a prosperous future for themselves.

Although Canadians have historically viewed public policy as a legitimate tool by which to improve the quality of Canadian life, and although the public demand for expanding the scope of social policy has been generally uniform across the country, the federal nature of our political system—in which the greater constitutional responsibility for social policy lies with the provincial governments—has allowed the diverse, provincially bounded communities of Canada to define their own specific social goals and priorities and to vary their program approaches in line with their own values. This is a very healthy and innovative factor.

While we have had great success in social policy in Canada, we have had some problems as well. The problems are rooted, I believe, in two increasingly erroneous assumptions which the creation of a ministry of state for social development should help to correct. First, during the 1950s, and especially the 1960s, there was a tacit assumption dominant in almost all western governments that any social problem could be solved by throwing enough money at it.

In those days of affluent governments, policy makers seemed more concerned with getting social programs established quickly to meet obvious pressing needs than in finding the most effective and efficient means of deliverying programs and applying public funds. Given the primitive nature of the analytic tools which decision makers had to work with, mistakes and waste were probably inevitable. But the state of the art of policy analysis and its techniques are becoming more sophisticated. Tools for measuring policy and program efficiency and effectiveness are being developed, and public decision makers have come to recognize that spending money or providing services will not solve social problems unless the delivery is targetted accurately at, at least, public cost. This will be a major concern of the new ministry of state for social development.

The second erroneous assumption was that any social problem could be effectively dealt with by a neat compartmentalization of responsibility within functional government departments. In the past, insufficient attention was, in my opinion, paid to the interrelationships and interdependence between programs. As society and its problems become increasingly complex, the inappropriateness of this myopic assumption becomes more evident.

For example, the Department of National Health and Welfare cannot achieve its income security mandate without taking into account the functions of the Department of Veterans Affairs, the Canada Employment and Immigration Commission and the Department of Labour. We are becoming

increasingly aware of the fact that the public purpose is interlinked and therefore cannot be compartmentalized or fractionated. That is, some social problems cannot be solved without aggravating others, and some must be approached on different fronts simultaneously if success is to be achieved.

Our government is most aware of these realities. In order to ensure that its decisions are comprehensive and that the activities of the federal government are integrated interdepartmentally, are effective and efficient, the government must be able to draw upon the policy analysis services of a support staff whose focus is on the interlinkages of social policy between programs, a support staff whose objectivity is not jeopardized by ongoing program delivery responsibilities, and an agency capable of applying the newest techniques of policy and program analysis. These, among others, will be the responsibilities of the ministry of state for social development.

Finally, I would like to speak for a few minutes of the financial and administrative scope of the federal government's social policy activities. Recent statistics show that Canadian governments—municipal, provincial and federal—annually spend about 23 per cent of the GNP on social policy activities related to social security, health, and education. This amounts to 51 per cent of all government expenditures. In these areas of social policy, the federal government provides the funding for 42 per cent of all activities, yet directly administers only 26 per cent of those social programs. Practically all of these federally administered programs are in the form of direct income transfers to individuals.

The provinces and municipalities, on the other hand, directly administer 74 per cent of government expenditures on health, social security and education, but fund out of their own revenues only 58 per cent. If education is excluded, the federal government funds over 52 per cent of all social expenditures in health and social security, but administers only 34 per cent. The federal role in social policy is thus characterized as largely that of providing funding to provinces and providing income transfers directly to individuals.

This year $26 billion, or 45 per cent of the federal government's total expenditures, has been allocated to the social development and legal affairs envelope. Additionally, in fiscal 1980-81 the federal government will transfer to the provinces an additional $4.4 billion for health and post-secondary education in the form of tax points. Given the financial magnitude of the federal role, the fact that its social policy initiatives are under the direction of seven federal departments and 14 other agencies, and seeing that in many areas the federal role is indirect, it is incumbent that the federal government have the support of a central agency mandated to advise the government on ways of achieving federal social priorities in a coherent, interdepartmentally integrated, efficient and effective manner.

The concern of the minister of social development would be in the areas I have just mentioned. In reference to the minister who will be involved in this new creative social development policy, I would refer hon. members to page three, item (c) of the motion, which reads:

> he shall lead and co-ordinate the efforts of the Government of Canada to establish and to clarify co-operative relationships with the provinces and with public and private organizations, to foster conditions that allow and assist the development of the individual, the family and the community;

That, in essence, sums up what has been said by those who support this motion. I support it as well.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, first I would like to say that I have a great deal of respect for the hon. member for Saint-Maurice (Mr. Chrétien). I know that he has a genuine concern for Canada, Canadians, and social development.

I would also like to say that it is an honour for me to participate in this debate and to follow my colleague, the hon. member for Rosedale (Mr. Crombie) because, during his distinguished career as mayor of the city of Toronto, he gave a real meaning and purpose to the social development of that great city. He insisted that Toronto stop and take a look at itself, and he sharpened that city's social conscience. I do not really think that any member of this House has the experience which the hon. member for Rosedale has, both at the street level and at the administrative level. However, I did not think that the year 1960 was quite as long as he made it this afternoon, but I do respect his efforts in this area.

I want to commend the government for bringing forward this motion at a time when it faces the challenges of the 1980s. The development of the individual, the family and the community are fundamental to the future of Canada. Without a demonstrated concern for social development, the government faces the charge that it is not concerned about these vital issues. The government must demonstrate its concern by creating an agency which is charged with the responsibility of co-ordinating government policy, of eliminating duplication, and of improving the effectiveness of its social policies. The ministry of state for social development can be such an agency.

I say "can be" because those of us who are relatively new to politics, after a lifetime in the private sector, view the creation of another government agency or another ministry with a certain amount of ingrained suspicion.

Mr. Murphy: You don't look that old.

Mr. Lewis: This leads me to suggest some guidelines to the government. The word "development" implies a process which looks to the future. I implore this government to look to the future in this ministry because we are faced with some unique challenges and unique opportunities in Canada over the next 20 years. We must anticipate the challenges and the opportunities. There is the challenge of an aging society. This challenge must be identified now in order that we can cope with the problems this will present as a greater proportion of our population comes to be made up of senior citizens. That is the challenge.

● (2050)

At the same time there are opportunities open to Canadians because of our wealth of untapped natural resources which we have to develop. The Minister of State for Social Development

should undertake an immediate study so that we can integrate the people resources with the natural resources. That is the opportunity. For too long we have been dependent upon natural resources and have failed to think about people. For too long we have been hewers of wood and drawers of water. We have not thought about the people drawing the water and hewing the wood.

Our immigration policy has to be co-ordinated with the provincial educational systems so that we will have the technicians with the ability to put these resources to work. Where the need is immediate we must adjust our immigration policy at once. Our long-range goal should be to employ Canadians and provide job opportunities.

I suggest that the government avoid creating a bureaucratic nightmare. The objective should not be to see how many people can be employed or if another office building can be erected in Hull. The government should not come back year after year with requests for more man-years until they become enmeshed in red tape. People should be hired on the basis of past peformance rather than their ability to multiply, or their political allegiance. We must search for opportunity to co-ordinate existing services rather than trying to recreate the wheel. People want us to cut through red tape in order to get things done, and to meet for the sake of accomplishment rather for the sake of holding meetings.

I suggest that this ministry should not only co-ordinate, Mr. Speaker, but it should eliminate. Where the federal government duplicates a provincial program or finds that a certain program is ineffective in regard to the social development of Canada, then it should be eliminated. I believe the ministry of state for social development can play a very important role in co-ordinating the efforts of various levels of government.

In the Speech from the Throne this government came up with a very telling admission when it suggested that the Canadian people wanted more effective government, not necessarily less government. In view of the longevity of this government's reign we can only hope that perhaps this is one of the things they have said which they will put into action. Every Canadian wants effective government. That means that we stop playing games and start governing Canada for the benefit of all Canadians. If the governing should be done at the municipal level, let the municipalities govern; if the governing should be done at the provincial level, let the provinces govern; and if the governing should be done at the federal level, let us get on with it.

In the text of the proposed order in council there is reference to the welfare of the individual. This ministry should try to re-establish the true meaning of the word welfare for Canadians. The concept of concern for the welfare of the individual is a key to the development of a strong Canada. The concept of a welfare state for Canada will destroy us. For too long we have been concerned with the welfare state, the hand-out, the free lunch and now, finally, under the Postmaster General (Mr. Ouellet), we have the ultimate—the paid free lunch. If we strive for sound development of a social policy we will ensure the welfare or well-being of the individual.

Earlier I referred to "street sense". That term is often used in reference to politicians. The civil servants to be employed by this ministry would do well to develop street sense and combine it with the wealth of degrees which I am sure we will find in that ministry. In fact street sense may be more important to it than a Ph.D. in sociology. If our society is to develop, those charged with the responsibility for its development must know what is actually going on in the streets of the villages, towns and cities of Canada.

As the housing critic for the Progressive Conservative party, I would urge the ministry of state for social development to play an independent role in examining and integrating the various housing and shelter programs of the Government of Canada and the provinces. We must strive for the best possible affordable housing for Canadians within a sound community environment. Innovative concepts such as the mortgage interest and realty tax credit which we introduced, and co-operative housing, should be examined from an objective viewpoint rather than subjective political viewpoints. Canadian housing policy, or the lack thereof, affects every Canadian because shelter is a basic need. We have social housing policies and programs, but we have not solved the basic problem. We do not have enough adequate housing at a reasonable price for Canadians.

An independent examination of the situation is necessary. With no axe to grind, the ministry could look at such areas as CMHC priorities, provincial-federal duplication, and integration of tri-level administration in the housing field. The ministry should work toward co-ordinating the responsibilities of all government bodies at each level of government. The ministry of state for social development can help all Canadians if it examines the purpose of a housing policy.

If a housing policy is designed to meet the universal need of every Canadian for shelter, then it is fulfilling its purpose. If, however, housing policy is merely an economic tool used by the Minister of Finance (Mr. MacEachen) to stimulate or dampen the economy, then we are only paying lip service to the needs of millions of Canadians for adequate shelter.

Housing starts are too often used as a measurement of federal government success in providing shelter for Canadians. In fact an independent shelter review by an agency, independent of CMHC, would reveal that the majority of Canadians do not get adequate housing if multiple dwelling starts are depressed in areas such as Vancouver while single family dwelling starts increase in Ontario and people are not moving in. Social development progress in housing must meet the needs of all Canadians, especially those at the lower end of the economic scale.

In the fall of 1978 the Progressive Conservative party introduced the concept of a tax reduction based upon mortgage interest and realty tax paid by Canadian home owners. Ninety per cent of Canadians want to own their own homes. Our program would have made that goal, home ownership, more easily available. We introduced that legislation into this House. It was debated vigorously by my friends on the other side of the House who whipped up a paranoia unequalled in

modern parliamentary history. In the end, the legislation disappeared with the Thirty-first Parliament, but not before the vote in which three members opposite with a social conscience voted in favour of the legislation. We knew on that night who those members were. I commend them for their good sense, but fear for their political future in that party. We remain committed to the concept of a mortgage interest and realty tax credit based upon the social goal of adequate housing for Canadians. We see it as a stimulation and a social tool rather than an economic tool.

The ministry should co-ordinate a study on the impact of a shelter allowance to solve the housing needs of Canadians. A shelter allowance could be substituted for present housing production subsidies, or used to supplement them. I suggest that we look at what the individual can afford to spend on housing and make that our criteria when deciding on a shelter allowance. The ministry must be able to stand aside from the ingrained thought of CMHC and look at things on an independent basis.

I would suggest that the ministry review the activities of CMHC and see whether it makes sense to co-ordinate a lending and a mortgage insurance function with the concept of social housing. Is it fair to ask CMHC to apply the principles of profit and loss and balance sheet analysis to the social question of adequate housing for Canadians? More important, is it fair to Canadians?

Another area where the ministry of state for social development could play a major role is in co-operative housing. It is safe to say that it is doubtful if society will ever reach the stage where every Canadian is capable or desirous of owning his or her own form of shelter. There will always be a segment of society which cannot afford adequate housing. We have to work with this government to reduce that segment which requires public housing.

● (2100)

I suggest that co-operative housing may be an attractive alternative to public housing. Co-operative housing describes housing constructed or obtained by a group of people who own it collectively. It has the potential for keeping good housing within the economic reach of families of all incomes. Pride of ownership may overcome some of the problems of public housing shelter. We have not really looked at this concept of co-operative housing. I want to see the ministry of state for social development examine that concept to determine its role in the development of adequate housing for Canadians.

I want to deal briefly with a subject that is close to me, the role of the volunteer in society. In my view that role is threatened and, should we lose it, society will be the loser. As the past president of the Canada Jaycees, I wish to read the creed of the Junior Chamber International into the record. I quote:

> We believe
>
> That faith in God gives meaning and purpose to human life;
>
> That the brotherhood of man transcends the sovereignty of nations;
>
> That economic justice can best be won by free men through free enterprise;
>
> That government should be of laws rather than men;
>
> That earth's great treasure lies in human personality;
>
> That service to humanity is the best work of life.

Kiwanis, Lions, Rotary, Kinsmen, Y'sMen, and the quota clubs, to name a few of the many service clubs in Canada, have similar creeds. The Cancer Society, the Community Chest, the Association of Conservation Clubs, etc., all have aims and ideals reflecting a belief that men and women should contribute of themselves to make Canada a better place to live.

But the role of the volunteer is being downgraded in Canadian society. The valuable contribution which these volunteer groups can make is threatened. They are threatened by a federal government which attacks their views and undermines their efforts. Two years ago the Minister of National Health and Welfare (Miss Bégin) was quoted as follows:

> For the last two years, we (the federal government) have not heard the voices of the poor, the old . . . just those of businessmen. Small and big.
>
> That worries me very much.
>
> "We're getting very strong public opinion from small and big business in Toronto and western Canada that we don't need family allowance and social expenditures in Canada doesn't make sense . . . they cost too much.
>
> It's coming from groups like the chambers of commerce and Kiwanis Clubs and I'm very concerned with messages like that.

The chambers of commerce, the Kiwanis clubs, the Rotary clubs, every service club of Canada, have every right to make their feelings known.

They are business people. They represent General Motors, and they represent the corner store. If they have been telling the government something, perhaps they should sit up and take notice. They employ, and they are also employees. They know the increasing bite of the tax dollar. They are well aware of the shrinkage that occurs from gross salary to net salary, just as they are aware that their net salary buys less because of inflation. They know they have to make a profit and operate efficiently.

They know they must face their bankers. I might point out that they do it more than every five years, which is the Liberal habit. In my opinion, the minister's remarks were an affront to every service club in Canada, not just the Kiwanis clubs, the Rotary clubs and the chambers of commerce, but every service club.

I want to take just a minute to examine how we have come to the point where a federal cabinet minister can make such a statement. What we have in this country is a LIP grant psychology which has hurt service clubs and voluntary organizations over the years. Traditionally, service clubs found a need in the community, whether it was to raise funds for crippled children or to build a sheltered workshop for the mentally handicapped. We had to examine the value of the project and we had to prove it to the club executive and the membership. Then we took it and we did it. It usually took a great deal of time and effort. We begged, borrowed and scrounged the materials and manpower. When we were finished, the community had something of lasting significance and the members were left with a sense of satisfaction.

Then we got the LIP grant process and it was much different. Grants were initially made under the Local Initiatives Program for seasonal workers during the winter. Then they were replaced by Canada Works grants which were year round. We got to the point where the service club did not mean anything any more. The government had the money and it kept churning it out.

We have spent a great deal of the taxpayers' money, but we have not really solved our employment problems with these one year "bites at the apple". What concerns me most of all is that our initiative may be stifled and the public is losing sight of the role of the service clubs, community organizations, and chambers of commerce in Canada. I am convinced that service clubs, community organizations and chambers of commerce can perform community and service projects more efficiently and cheaply than most Canada Works projects.

We cannot reach the point where Canadians allow these handouts to stifle the concept that we try harder to do things for ourselves. We should know the need of our community and make an effort to fill that need. We should not expect that the need will be filled by the government.

The Speech from the Throne refers to a "new partnership with voluntary agencies and local organizations in a program of community service". The aim of that partnership should be to strengthen the role of the volunteer agencies and local organizations within a strong Canada. I suggest the ministry of state for social development can play a very important role in creating that partnership.

In closing, I commend the minister for his diligence in presenting this motion, but I urge him to make the preamble live in the eighties once this bill is approved. The execution of the concepts which are expressed in that preamble are vital to the future of Canada.

Mr. Robert Gourd (Argenteuil): Mr. Speaker, the programs of the Canada Employment and Immigration Commission are some of the federal activities most crucial to both the economic and social well-being of our country. They embrace three major program areas; unemployment insurance, the area of employment service designed to assist in the functioning of the labour market and, of course, immigration.

The $4 billion Canada spends annually on unemployment insurance is designed to help workers when they are between jobs. Since 1940 Canada has been one of the world leaders in the field of unemployment insurance and this government is determined that the unemployment insurance program will be fully effective to meet the needs of the 1980s.

The Minister of Employment and Immigration (Mr. Axworthy) has already announced that there will be a review of the fundamentals of the unemployment insurance program and a high level task force is now being readied by the commission to take a careful look at how unemployment insurance should be arranged in the decades ahead. Since the early seventies, with the extension of the unemployment insurance program to virtually universal coverage, there have been a number of changes to the Unemployment Insurance Act. Now it is time to review the effects of these and see how the program can be vectored better in light of social, economic, and unemployment conditions in the years immediately ahead.

• (2110)

Bill C-3, now before the House and awaiting second reading, proposes only two adjustments to the unemployment insurance program. It seeks to postpone the expiry of the ten- to 14-weeks entrance requirement until the review of fundamentals of the program is complete. Bill C-3 would adjust the financing of the unemployment insurance program. Earlier, a regulatory change was made which had transferred the administrative costs of the employment service—

Mr. Deputy Speaker: Order. I should like to call the attention of the hon. member to the fact that it is not Bill C-3 which is before us. I wonder whether the hon. member is aware that the measure we are discussing relates to a proposed social development ministry.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The hon. member for Winnipeg-Birds Hill (Mr. Blaikie).

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I had not anticipated I would be entering the debate so soon. I thank the hon. member for Argenteuil (Mr. Gourd) for the inappropriateness of his remarks. I wish him better luck next time.

I begin my remarks this evening on the motion to establish a ministry of state for social development by commenting on some of the statements made earlier by Conservative speakers on this subject. I am somewhat confused, now, as to the rationale behind the support the Conservative party has been giving to the establishment of this ministry of state, especially after listening to the well-articulated criticisms of this initiative by the hon. member for St. John's East (Mr. McGrath).

First, I think it is important to examine the claims which the government itself makes in support of this initiative. The Minister of Justice (Mr. Chrétien) said this afternoon it would be a ministry of co-ordination, and used the analogy of the Ministry of State for Economic Development; the ministry of social development would take an overview in the same way as the ministry of economic development is said to do. I do not know how other members feel, but to my mind the value and the power of the Ministry of State for Economic Development are very little indeed. Sometimes I wonder whether there is such a ministry; if it is happening it must be happening only at departmental level. In part this may be because the Minister of State for Economic Development (Mr. Olson) sits in the other place, but it reinforces my impression that these ministries of state whose intention is to oversee other departments are, in a sense, fictitious, in that they simply provide the context for another bureaucratic device to escape responsibility for decisions made in relation to certain departments.

Another claim made in support of this motion is that its intention is to integrate. But what is it to integrate? If we could truly believe that this was the beginning of a process by

which the government would finally and intelligently integrate all the multiple social policy concerns of the Canadian people and their government, we might be in favour of this proposal in a wholehearted way. As things are, I invite you, Mr. Speaker, to look at the statement setting out what is to be integrated. What is to be integrated is social policy with expenditure management. That is not the integration of policy at all, or, at least, that is not the primary intention, which is, I suggest, to subordinate social policy to the perceived fiscal needs of the government. All this would be done within the third claim made by the government, that this is an extension of the so-called "envelope system" that the Progressive Conservatives brought into government in their short stay in office.

We believe that is not an expansionary move, not a move to innovate and create in the field of social policy but, in fact, a means by which to reduce the commitment of the Canadian government to social policy goals and social policy directives in the years to come. As I said before, this is explicit in the capacity of the new ministry of state to decide on the allocation of funds between departments and what I take to be the most revealing statement of the rationale, namely, is that as new social policy needs and goals are established they can only be arrived at by a trading-off process whereby money must come from old programs to go into new programs; it must be taken from old priorities to go into new priorities. It will be the function of the new ministry to decide what programs are to lose in order that other programs might gain. I submit that this is a product of either a certain amount of smugness on the part of the government with respect to the present state of Canadian social policy, a smugness which implies that the present position is so satisfactory that we can afford new programs only by syphoning off money from programs which are already established, or else it is the counsel of despair, a feeling that there will be no more new money, that there will be no more of the wealth created in this country going toward social programs and that, therefore, some very difficult decisions are ahead of us as to the allocation of social policy funds.

Perhaps it is thought that a special mechanism—in this case the ministry of state for social development—is needed tc supervise those very difficult decisions and take some of the heat off the on-line ministers when those decisions have to be made. It would not surprise me if in the future, in the context of the new ministry, we were to see a renewal of the fascination with selectivity in social programs as opposed to the maintenance and expansion of existing universal programs, a fascination such as we began to see under the Progressive Conservative government. The minute we start to talk about trade-offs, and say that new things will only come at the expense of old things, and when so many of the old programs are universal programs, then I think this sets a dangerous political context in which one can see the erosion of universality in our programs. I hope this is not the direction in which the government is moving. I know that the Minister of National Health and Welfare (Miss Bégin) is a supporter of universality in social programs, but under this legislation the hon. lady would have less "say" than if this ministry had not been formed. That is something to keep in mind. She will be a junior minister, and I think that is shameful when we think of the role ministers of national health and welfare have played in the past history of Canadian social policy.

● (2120)

There are too many things to be done, and too many needs to be met. There are too many things to be done to rely on a system that in its very opening rationale speaks of trade-offs. We will need more money in the absolute sense. The so-called economic pie or the funding pie for social programs will have to grow bigger. It will have to have an absolute growth as opposed to only apparent growth in order to do the things which are needed.

Some of the things which need to be done have been mentioned already by hon. members in the course of the debate so far. Particular groups have particular needs. The most recent group whose needs have been brought to our attention is that of the children of Canada. Their needs were brought to our attention by the report of the Commission on the International Year of the Child. The recommendations made in the report of the commission are not going to be able to be financed by robbing from veterans affairs, from income security for the elderly, from health care, or from any number of other things which the so-called social policy envelope will be dealing with. It will not be the way to look after the needs of Canada's children to take from those other groups which have, fortunately, been able to establish the legitimacy of their needs with the Canadian people.

The needs of some groups have not yet been mentioned, or have been mentioned only in passing. I refer to the needs of single parent families and women, natives, and the handicapped, with regard to special training and employment programs. All these things are to be handled within the context of trade-offs and of what can be done by taking money from old programs and old priorities, and I think this is not the way to go about developing an adequate social policy for Canada.

I would like to mention just one thing which has come to my attention as a member of Parliament for only a year or so now, and that is the fact that many people find themselves in a tremendously disadvantageous and humanly unfortunate situation as a result of disability. I am one of those people of whom the hon. member for Rosedale (Mr. Crombie) spoke when he spoke of the year 1960. As the hon. member for Winnipeg North Centre (Mr. Knowles) mentioned, in 1960 I was only in grade three.

I grew up within the context of the so-called welfare state and under the impression that we, as a people, looked after each other, that we were a progressive, advanced, caring and sharing society, and that no one in Canada would be left in some of the positions of hardship which have come to my attention since I became a member of Parliament. I am surprised that some of the programs we have, and about which we do so much bragging, are in fact so stingy. They go out of their way to make people crawl, beg and scrape in order to prove that they need the very barest of incomes. I am thinking

primarily of the Canada Pension Plan disability pension. People have to prove, not that they cannot get a job, but that they are not able to do a job. We find a great many people who certainly are able to participate in some kind of employment, but they are not able to get jobs. It is as simple as that. There is no benefit in being able to do something if there is no one who is willing to employ you at doing it.

Many people, particularly men in their fifties, have worked hard all their lives in warehouse work, or in other work which requires very strenuous physical exertion, and when they get into their fifties, and their backs go out and they are not able to perfom that kind of work any more, they find themselves tossed on to the heap of surplus Canadians.

Those people are not useful to the system any more, yet this Canada Pension Plan disability fund, which is supposed to provide for people in that state of affairs, is unable to help them because the rules are written in such a way as to ensure that only the barest minimum number of people come under the benefits which are provided by this plan. I cite that as just one example of a place where much improvement is needed and something that is going to require a lot of money—and a lot of new money at that—and not just trade-offs between existing programs.

I have been doing a lot of talking about new money, and I can hear the cash registers ringing in the minds of my colleagues to my right and across the way. They say, "Well, there goes the NDP talking about spending, spending, spending again". Indeed, if we are going to do the things we want to do and if we are going to be the kind of society we want to be, we will have to spend, but the other side of the government spending question and the other side of the restraint mentality is the revenue question and how much revenue the government has at its disposal to do these kinds of things. The other side of the revenue question brings us to the tremendous amount of money made in this country which never sees the door of the revenue department.

The other side of the restraint question and the paranoia about government spending is all the money that never sees the door of the revenue department because we do not have a fair tax system in this country. All that money never sees the revenue department because, in a year like 1978, we spent $32 billion in tax expenditures, and that is not even recorded in such a way that the people of Canada are aware that there is that much money out there not being collected. There is money enough to pay for deficits and for new programs, and yet we sit here—at least some of us do—and whine and moan about the deficit. It never occurs to us to go out there and tax the wealth that is already there so that we can begin the process of living up to the throne speeches of so many varied and inadequate Liberal governments over the years.

We are talking about new social policy goals and meeting the needs of groups, some of which were not even on the scene 20 years ago in 1960, the year that the hon. member for Rosedale spent so much time talking about this afternoon. We are talking about the tremendous needs, for instance, of single parent families, a phenomenon which, I submit, was not prevalent to the same degree in 1960 that it is now.

There are all kinds of new social phenomena upon us. There is the problem of native people in the cities, the problem of single parent families, which I mentioned already, and the problem of children who, because of advances in learning theory, are perceived to have learning disabilities, and should no longer just be streamed off into more docile occupations. They should be helped to improve themselves, with the knowledge of their particular disabilities. That is just to mention two or three things that are more with us now than they were 20 years ago.

We will not be able to meet these needs unless we have fundamental economic change, and to that degree everyone here today who has said that social development cannot be separated from economic development is right. Without fundamental economic change we will not be able to pay, to build economic structures which will ensure that enough of the wealth which is created in the country comes to the public purse in ordre for us to be able to pay for the kind of society we want. Here the Liberal government and the Liberal party are at the crossroads. I look forward to the next few years because it is in the next few years that the Liberal party and its government will come up against realities which they have been trying to postpone for a very long time and which, indeed, they have been very successful at postponing. The happy coincidence of Canadian liberalism will soon disappear.

• (2130)

The happy coincidence is that hon. members, such as the Minister of Finance (Mr. MacEachen) and others, over the last few decades have been perceived to be social reformers, while at the same time pursuing the same old economic orthodoxies of which the official opposition is so proud. They will come up against the fact that they have been able to have their cake and eat it too, to the extent they have because the economy was growing and because we were in a period of unequalled expansion. So they could take that incremental growth and distribute it about. And so long as the pie was getting bigger, even if you were only getting 5 per cent of the pie, it was 5 per cent of a bigger pie and you were happier with the government than you might have been otherwise. But now the pie is not getting any bigger and it does not appear likely to become any bigger, not just because of the incompetence and mismanagement of the Liberal government but because of the international and global realities, because of the redistribution of resources which will have to take place globally, unless we want the world to go up in a tremendously violent fight over limited resources. And so now we will be up against it.

Now when the pie is not getting any bigger, we will have to decide what kind of society we really want, because we will not be able to defer to the glorious economic future which awaits all the poor if they would just wait for more foreign investment, if they would just wait for the economy to come out of the recession, if they would just wait for the next boom cycle. All these are vain hopes.

Soon we will have to decide what kind of society we want, and we will have to start making our political decisions much more attentive to basic moral and philosophical questions because we will not have this expanding pie with which to defer these very difficult questions. This is the crucible in which I expect the Liberal party to find itself over the next few years, that the promises they have made to the Canadian people in terms of social policy and the promises they have made with regard to economic nationalism and everything else, will come tumbling down and will stumble over the fact that their first loyalty is to the same kind of economic orthodoxies to which their opponents on the other side, the Progressive Conservatives, are committed.

But that is not the only reason that all the laudable goals which are supposedly to be reached as a result of the establishment of the ministry of state for social development will not be reached. Another reason that they will not is administrative. What is happening here is an injection of another layer of bureaucracy between the idea stage and the implementation stage. It is not enough that we have the Privy Council and the Treasury Board. It is not enough that we have the cabinet, and it is not enough that we have the sheer, unending inertia of this government. Instead we have to insert within that process yet another level of procrastination and unnecessary deliberation.

Those of you who have read Franz Kafka's "The Castle" will perhaps be reminded of the difficulty which the main character in that book had in trying to get a hold of what was happening, and trying to figure out just where reality was, just who he could speak to who would make a difference. With the injection of this ministry of state for social development we have another layer of Kafkaesque administration laid upon the Canadian people, and laid upon their already legitimate dissatisfaction with the decision-making process of this government.

It will be just another layer of deliberation and accountability which will remove from this House the ability of the various on-line ministers to rise in their place daily in the question period and answer for the policies of their particular department, or for the lack of policy of their department. Now they will be able to hide behind the coat-tails of the minister of state for social development; they will be able to say, "I would sure like to do that, but it did not come to me through the envelope. Talk to the Minister of Justice, if you can find him when he is not off looking after federal-provincial relations, after justice concerns, or now after his added responsibility, the ministry of state for social development." We have in fact made all the on line ministers here junior. It is a very serious erosion of accountability, and if Parliament is not about accountability, then I do not know what it is all about.

Perhaps the on line ministers will be relieved—given what I had to say earlier about the inability of the Liberal government to deliver on its promises—not to have the full responsibility for this failure, and to defer to their busy elder, the Minister of Justice, who is already overworked.

It is incredible to me that one person should have oversight over social development, justice, and federal-provincial relations, and it lends credence to the theory that all that is happening here is that a particular administrative mechanism is being set up to supervise restraint within this government, a restraint which, I admit, will not be accompanied by all the self-righteous and destructive hoopla in which the Progressive Conservatives are inclined to participate when they embark upon a program of restraint, but nonetheless very subtle restraint. The Liberals always like to—

An hon. Member: Shift into easy.

An hon. Member: Silk gloves.

Mr. Blaikie: Silk gloves is the analogy which has been suggested to me by an hon. member.

An hon. Member: Iron fist.

Mr. Blaikie: But really an iron fist to the poor. It was said earlier, I think by the hon. member for Etobicoke-Lakeshore (Mr. Robinson), that the hon. member for Winnipeg North Centre was being unduly pessimistic when he spoke of some of the concerns we had about this new ministry of state for social development. I realize that to be pessimistic in this particular day and age is almost to sin against the Holy Spirit. What we have is uncritical optimism about the future, and this kind of optimism invades and infects everything we do.

I think it is important, whatever the future may look like, to be accurate and realistic. I would prefer to be realistic and to sound pessimistic to the uncritical optimist than to participate in the uncritical expectations that we have heard today about what this particular restraint mechanism will do for social policy in Canada. I realize they have been hard pressed to justify this ministry, particularly as it originated within the Conservative ranks, but it is not the first thing we have seen the Liberal government predisposed to adopt from their Conservative brothers, again lending credence, I submit, to our theory, which becomes more true every day, about Tweedledum and Tweedledee.

It may appear that to be against the co-ordination, integration and planning of social policy in this country is to be unfair and mean to the government. But the burden of truth will be upon them to show, over the next few years, that this initiative on their part is intended indeed to enrich and enhance social policy in this country and not simply to become a mechanism by which they may do, underhand and with less accountability, what they set out to do in 1978 when they first began the cutbacks phenomenon in August of that year. We will have to wait to see whether they can overcome the limitations of reality. They will not be able to do it.

• (2140)

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, this is the first opportunity I have had to offer my personal congratulations to the minister for the job he did in the recent referendum in Quebec. He was one of the few cabinet ministers on the other side of the House who spoke with his heart and not the pocketbook. I first came to know him when he was

in the Department of Industry, Trade and Commerce. He should have stayed there; he was doing an excellent job. I am pleased to rise today to address the motion he introduced.

Naturally I am concerned with the area of social development in this great country of ours, but I have a few reservations on the proposals of this government to set up another ministry. I like to think of myself as a compassionate Canadian. It is my hope that the people I serve perceive me as such. I am very aware of the need for direction in all social areas, but I am hesitant in agreeing to let this government increase its spending power in any area without specific proposals and policies.

Can the minister tell us just what his jurisdiction will be over the other ministries obviously involved in social development? What co-ordination policies and terms will be set up for this minister to ensure that the proposed ministry does not just become another filler, a stop-gap measure to very real concerns? Other federal departments and agencies have control over substantive funds which could affect the operation of this new department. As the Minister of National Health and Welfare (Miss Bégin) is aware, her territory is definitely in jeopardy if this new creation is given precedence. What kind of funding will be appropriated to social development either to the detriment of other departments or in duplication of duties already mandated to existing departments?

The Liberals are notorious for their ability at duplication. One only has to look at their proposal to establish the Board of Economic Development Ministers back in 1979. The board, the superministry, was to have responsibilities for such things as upgrading the forest products industry, helping the Canadian shipbuilding industry, and implementing new policy for development of the Canadian automobile industry. It was to manage federal programs to develop a stable economic climate for growth and the creation of jobs. We can all see the success of that board. It was given direction for areas already supposedly covered by other departments or agencies. Our stagnant economy has done nothing but deteriorate the social climate and foster unemployment.

The principle of the motion is an important one. It is crucial that this government look at its responsibilities to the Canadian people. However, what guarantees will be given to the department and its minister? Will the minister direct its priorities to the people? What role does this department intend to play in the lives of the citizens of the country? The Prime Minister (Mr. Trudeau) said "our greatest hope lies, not in new laws or greater use of the power of the state, but in ourselves, in the capacity of each of us to adopt different social and economic values in response to the new reality of our times". What priorities has the government planned for this new ministry? Although in principle there is a real need to have social directions, we must have some indication of where they are to take this country.

As youth critic I am very concerned about the future of our most natural resource. There will be an estimated 4.6 million young people between the ages of 15 and 24 next year. Of what policy direction can we be assured to guarantee that these young people will have a future to look forward to, a job, a full-time meaningful job? I am not referring to government jobs, although young bright Canadians are needed in government. I am not referring to a part-time job, not one that lasts 48 weeks, but a full-time meaningful job. Today it is a national disgrace that 431,000 young people under the age of 25 in this country are unemployed, or 44 per cent of all people unemployed. We must know what programs and principles will be attained through the development of this ministry. A ten-year plan of its goals and objectives is not an unreasonable request. It would appear to me a three-year intensive plan of its aims should be made known to this House immediately. It is too important an area to be given only vague generalities. What jurisdiction will be given to the minister over employment, immigration, education, health and justice? We do not know.

I do not want to tread on any toes, especially in those areas that belong to our provincial counterparts through the BNA Act, but in the context of the present and forthcoming constitutional discussions, will the minister be examining the area of education under this new super ministry? If this ministry is to foster social development, our educational system across the country must be examined. Education must be tailored to present needs. There is absolutely no point in creating a glut of graduates with Ph.D.s if these extremely brilliant minds have to drive taxicabs to earn a living. Will the financial agreements between Ottawa and the provinces for post-secondary education be examined? Will the government encourage some of the universities experiencing drastic enrolment drops at present to become community colleges? It is interesting to note that the famous Ryerson Polytechnical Institute in Toronto, of which I am an alumnus, is now experiencing a number of students coming from universities with B.A.s that have not stood them in very good stead. They are getting some practical training in a great educational setup such as the ones at Ryerson and in community colleges.

As I said, I am aware the educational system falls under provincial jurisdiction, but it must have direction and must be tailored so that young people are educated and employable. We must give our young people marketable skills. The government of the United States has commissioned a study in this area for the eighties. Maybe we should be encouraging the same thing in Canada.

The critical skills committee of the government is a start. I am pleased to serve on it and to be one of the representatives from the Progressive Conservative party. However, it is not enough just to examine the critical skills area. All areas of employment and education must be examined if we are to aim at full employment. How can the minister strive for less?

I am well aware that each and every one of us has social obligations and responsibilities, but will the minister and this ministry foster a stable Canadian indentity, a stable family unit and a stable participation with the provinces so that our children can feel as though they belong and develop a sense of usefulness? Will the policies of the ministry return to the youth of this country a sense of Canada and remove the instability they presently face? As minister responsible for

families, what programs and incentives will he offer to foster the family unit? Parents teach their children to be independent; a country should do the same.

● (2150)

What programs are there going to be for exceptional children? What encouragement is going to be offered for children at both ends of the exceptional spectrum; the brilliant child who has a natural talent for music or anything else but whose parents cannot afford to have his or her talent flourish because it costs $3,000 a year or so? What tax incentives will be offered to those parents who are frustrated because they cannot afford the same calibre of cultural education as those in higher income brackets? Why is cultural understanding a prerogative of the rich? Is this minister going to help the parents whose child needs special instruction because of a physical or emotional problem? Just what are the minister's areas of responsibility?

Is this the ministry that will finally develop a firm federal affirmative action policy? We all know there are disadvantaged groups that require assistance within specific areas of federal responsibility; representatives of women, native people and the handicapped. Affirmative action programs exist in certain areas but, heaven knows, progress has been slow and these programs lack co-ordination. The federal government is long overdue in accepting its responsibility in this area. Few of the recommendations made by the task force on the handicapped have been implemented.

Will the minister set up standards to surmount the obstacles faced by the handicapped in employment, transportation, housing, and recreation? Our party is willing to listen, and to try to improve policy on the employment of the disabled. In all fairness, some progress has been made in this area through programs such as LEAP and Outreach, but short-term jobs for the disabled are not enough. A myth stills exists that must be corrected regarding the hiring of a handicapped person. What direction will the minister have to foster awareness in this area through the employment ministry? Before this new ministry is created this House should know its terms and goals, lending credibility to the intent of government to help the mainstream Canadian.

We are all aware of the constantly changing challenges facing individuals, private groups and governments, and one of the most challenging will be job creation in the 1980s. As I have said, what initiatives will the government bring forth to ensure permanent jobs for the ever-increasing labour force? By the end of the 1980s almost half our population will be in the labour market. Our young people have had access to higher education and yet unemployment is their dismal future. The problem must be dealt with now.

I am not suggesting it should be handled totally by the federal government, but action must be taken to stimulate the private sector to create jobs for the young people. Governments must create the climate for the private sector in this area, and encourage entrepreneurs and investment, employers, unions and government, to work together to meet the demand for skilled labour and properly to implement programs that will meet the needs of our young people. We must foster a willingness to work, and not fall into the same trap set by Bryce Mackasey in 1971 when he assured us that the UIC program would not discourage people from working.

There is a need in this country for a sense of involvement in the community. An awareness of social structures must be fostered. Established voluntary organizations must be adequately funded.

Will this be the umbrella ministry to correct all the social injustices that do exist, and that have been perpetuated by Liberal administration too intent on its own salvation to worry about the direction of the country? What surveillance programs are going to be introduced either through Health and Welfare, environment, or through this new umbrella ministry to monitor areas that affect Canadians every day; problems such as acid rain, methylmercury contamination; yes, the old bugaboo, metrication? The list is endless. There are very few areas if any of an individual's life that are not affected by government.

If I might, I should like to come back to the youth of this country for just a moment. Will the minister in his capacity as justice minister be introducing amendments to the existing young offenders act, marijuana laws, prostitution laws and, if so, has he reconciled these changes with their impact on the family structure? As I have said, this ministry will obviously be responsible for families. What are the priorities intended to foster family unity and, consequently, national unity? Is the minister prepared to look at our social problems in the context of our legal framework? Is the minister prepared to look at our divorce laws and the issue of capital punishment?

Human rights are another area where the minister will have to state his intention. I believe the justice department is currently looking at all federal legislation for possible conflict with the human rights act. Will this proposed department be involved with immigration policy which, in effect, is discriminatory to certain groups? How does he plan to handle the racial tension that, whether we like it or not, does exist in large cities such as Toronto and Vancouver? One of the ministers, I noted this weekend, while speaking in Toronto said that racial tension is caused by youth unemployment; that they are too idle, they have nothing to do, and therefore they have time on their hands and they get into trouble. I could not agree with him more. What is the government going to do to encourage employment for the young?

The authority of the Human Rights Commission is being challenged by federal departments, and this challenge can in no way be said to be productive of progressive, free social thinking.

The publication, "A National Understanding", in 1977 stated that Canadians have a right to education in the official language of choice, and facilities should be provided where numbers warrant it. Bilingualism programs are available to almost anyone, and in most cases with no direct cost to the individual, but right here in the House of Commons the Liberals are fostering a practice of discrimination. Neither

French nor English language training is available to the assistants on the staff of members of Parliament, but it is available to all other House of Commons personnel. They vetoed a Standing Order 43 motion to have this discrimination looked into just the other day. I would ask the minister to take another hard look at this with a view to allowing members' staffs take advantage of the language training programs available. I wonder how a party that has not been able to implement its own policies in the past will do so in the future? Is this minister going to have any more success at fostering or developing Canadian culture?

Mr. Speaker, I wonder if I might call it ten o'clock before I get to another subject I wish to cover.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

● (2200)

[*English*]

PUBLIC SERVICE—REHIRING OF LAID-OFF PERSONNEL

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I appreciate the fact that you are in the chair, sir, because you have a constituency responsibility which is parallel to mine, and that is the subject matter on which I want to address this House this evening.

There will always be reorganizations within the Government of Canada. As a result of those reorganizations many well-trained professionals, clerks and others within the public service, will find their careers interrupted through lay-off, being declared redundant, being put on priority lists, etc. etc. All of these events create uncertainty for families and great difficulties with devastating sacrifices that can only be experienced to be understood. Throughout the period of time that I have been a member of Parliament, I have seen many people in that position, and there is nothing more distressing than the feeling of hopelessness that they bring with them to my office.

The Public Service Commission has recognized the importance of providing some hope to public servants through the work of Ken Sinclair. There have been some astonishing success stories when a person has been found redundant and that same person finds a spot somewhere else. But as good as the existing programs are, they lack one essential ingredient for success. That ingredient is retraining.

During the course of the Clark government the process of devising a scheme began, but we have heard very little from the government from retraining of public servants since the last election. That is why I asked the President of the Treasury Board (Mr. Johnston) the following question:

—When is the President of the Treasury Board going to make announcements with respect to the retraining programs for public servants which were promised during the course of the election and about which he has been strangely silent since the election?

There has not been an answer since that question was asked. The minister's answer at that time was:

—I take exception to any suggestion that I have been silent. In fact, I discussed with the hon. gentleman the importance we attach to training and to retraining.

That is correct, he did. He went on to say:

We are, I hope, bringing forward some significant programs in this regard, and I hope to be able to make announcements in the House in the very near future. I shall be delighted to discuss further with the hon. gentleman some of his ideas which sometimes, I must say with respect, are quite good.

I appreciate the flattery. I am available to help in this program as I am sure you are, Mr. Speaker. I believe there is a great opportunity for the public sector to provide leadership to business and industry with respect to retraining. Aside from the maintenance of an experienced public service, I think it is important that the government, as an employer, show a concern for the human side as well.

In February, 1980, the government of which I was a member took a quantum leap forward in that regard. The Treasury Board announced a policy of no lay-off protection which read as follows:

Our policy, that all surplus employees would be offered an alternative employment opportunity, was designed to ensure that there would be no lay-offs solely to achieve reductions. From time to time, there are a number of situations in the public service where positions have been declared surplus for reasons which are not directly related to specific plans for more efficient government. These could result from changes in the work load of programs, from re-organization of work or other internal management changes, as well as from the normal phasing out of some programs. It is the government's policy that employees in these situations would also be covered by the no lay-off policy and would be offered an alternative employment opportunity.

The underpinning for this proposal in terms of public interest and in terms of public servants must be the institution of retraining programs. That policy was made dependent upon retraining programs that the government of which I was a member was developing within the Public Service of Canada to assist public servants to prepare for new employment opportunities. The same obligation rests with this government, and public servants are watching and waiting for some action.

I believe that the government should continue and improve upon the initiatives which my government began. I have some suggestions, and I am sure there are others. A public service-wide retraining program should be announced quickly. It should encompass public servants not yet placed who want to work in the public service and who were laid off as the result of the Trudeau government cutbacks of August 1, 1978, and those public servants should remain eligible and continue on an extended priority list.

● (2205)

The government should use its influence with Crown agencies to ensure that those employees who are laid off, and who

fall under Treasury Board guidelines, are eligible for appointment to positions in the Crown agencies as well.

The government should consider using community colleges and other facilities at universities, wherever they are available, to augment, where necessary, the facilities that now exist within the public service.

Clearly, the first step is to announce a no lay-off policy, as we did, with the improvements that I have suggested at the beginning, for those laid off by reason of the Prime Minister's announcement on August 1, 1978. There must, of course, be consultation with the Public Service Staff Association and the National Joint Council so that Parliament knows what the government is doing with respect to those who serve the people of Canada in the public service. It should consider tabling the proposals in this House and referring them to a committee, with a limited time-frame of reference, so that they could be considered very quickly.

A beginning has been made with respect to an important aspect of leadership in employer-employee relations by the development of the retraining program. That development should continue apace and that announcement should be made.

I hope the parliamentary secretary will be able to give us some concrete information tonight, at least regarding the time when such an announcement will be made by Treasury Board. As I said, the public service is watching and waiting.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I should like to take this opportunity to say a few words on the subject of work force adjustment—both the placement and retraining of public servants who become surplus to government needs in their current jobs. I would emphasize current jobs, because we are concerned as a government to utilize the skills of public servants as fully as possible in the public service as a whole, not just in jobs they happen to hold at a particular moment in time

We recognize a number of needs in regard to improving the placement and retraining of surplus employees. And that is not to say the departments and Public Service Commission have not done a commendable job in placing these employees in new jobs: they have. But we need to do better, through tighter procedures, better communication and more imagination, in the way we look at the skills these employees have. You know, people are adaptable. They may have spent many years in a certain line of work, and that could lead us to slot them into almost the same kinds of jobs, which may not be available. Such people can be useful in other work, of course, because they may have general skills applicable to a variety of job situations.

The need to recognize and take advantage of the adaptability of surplus employees is especially important in the matter of retraining. In the past we have retrained surplus employees placed in new jobs once they are actually working at them; we have not made a great deal of use of the formal, off the job retraining provisions of current work force adjustment policy. That degree of usage is understandable from the point of view of the effective use of resources; it makes sense to place a person first in work he or she can readily do rather than divert them into courses. However, we do intend to encourage a more imaginative approach to formal retraining, especially in cases where surplus individuals have many of the qualifications for a vacant job, and formal retraining could bring their qualifications up to the required level. Longer retraining than envisaged under current policy may be required. So might a greater commitment of resources.

As I say, these are needs and principles that we have recognized as a government in examining how to reshape our policy of improving how we deal with surplus public servants. We also have in mind some specific measures to fulfil the needs and give effect to the principles. Before announcing any new measures, however, we want to consult with those who could ensure they will work—departmental officials and employee representatives, as well as officials of the Public Service Commission which has significant responsibilities in both placement and training. These consultations have begun and we are hopeful that they will enable a more definitive statement, working out ideas I have shared tonight with this House.

The hon. member is quite correct in raising this question. We are rather thankful that he has and that the opportunity has been given to us to provide these notes for record.

● (2210)

AIR TRANSPORT—STATUS OF TRANSPORT COMMISSION DECISION ON HALIFAX-TORONTO ROUTE

Mr. Howard Crosby (Halifax West): Mr. Speaker, on June 6, 1980, I questioned the Minister of Transport (Mr. Pepin) with respect to the decision of the Canadian Transport Commission on the matter of the air routes between Halifax and Toronto and Halifax and Montreal. The decision made by the Canadian Air Transport Committee of the Canadian Transport Commission allowed CP Air to serve the Halifax to Toronto route and at the same time deprived Eastern Provincial Airways of access to the same route.

Curiously, the decision of the CTC also allowed CP Air to serve the Halifax-Montreal route one year hence. That route is now being served by both EPA and Air Canada. The minister in his response confirmed that an appeal had been taken from the decision of the CTC and that June 16, this very day, was the deadline for the submission of briefs and documents. Therefore the decision will now be made by the cabinet or the Minister of Transport either to reverse, or allow the decision of the CTC to stand.

If I were to criticize the decision of the CTC, I could not castigate them more than did the Toronto *Globe and Mail* in an editorial. This editorial, written on May 23, 1980, said that the CTC rightly decided to open the Halifax-Toronto route, but then proceeded to "botch the case." The CTC, said *The Globe and Mail*, was stubbornly committed to obstructing the development of regional enterprise when it chose CP Air over EPA. Let me quote the editorial:

The CTC's decision in this case demonstrated an utter and utterly lazy incomprehension of Canada's problems at a time when Canada's problems require the most spirited and innovative attention possible. As EPA has appealed the decision to the federal cabinet, we trust that transport minister Jean-Luc Pepin and his colleagues will act upon their born-again commitment to federal reform, and overturn the CTC. Heaven knows the commission has earned some overturning.

Let us face the cruel facts of government. It will take a determined Minister of Transport and real effort by the cabinet to reverse the decision, but I believe the minister will rise to the challenge and support regional enterprise so that EPA will continue to grow and contribute to the economy of Atlantic Canada. In this respect, I am sure the minister has the support of members on both sides of this House.

Why should the decision be reversed? Because it is patently wrong. First, it refers to a non-existent policy whereby regional air carriers cannot go beyond their adjoining regions. Yet Nordair flies direct from Quebec to Winnipeg. Second, the CTC placed three carriers on the Halifax-Montreal route which is rated seventeenth in Canada, but said it would be uneconomical to have more than two carriers on the Halifax-Toronto route which ranks tenth in Canada and is growing. Third, it said EPA could develop local regional traffic. Then the CTC refused special promotional fares. It should not be hard for the minister to reject these reasons for the conclusions of the CTC.

Then there is public opinion. The four Atlantic premiers have urged reversal of the decision. Nearly all members of Parliament in the Atlantic region, members of provincial legislatures and many municipal councils have supported EPA. In fact the only dissenting voice has come from the tourist industry which promotes travel in its own interest, and the Halifax Board of Trade. I found it hard to believe that the Halifax Board of Trade should fail to support such an important regional industry since EPA employs 900 persons in the Atlantic area and spends millions on services and supplies. I asked the membership of the board to respond to a questionnaire to determine whether the membership really did support CP over EPA.

The executive of the Halifax Board of Trade took great exception to my intervention. In fact, one member responded to me and said that I abused the privileges of a member of Parliament. Let me say to that member that I do what I think is right in the interests of all my constituents. However, the response I have received from the Board of Trade and other constituents has been very positive: there is general support in the area for the EPA application to serve the Halifax-Toronto route. But this is not to say that the people have anything against Canadian Pacific. They recognize the contribution CP has made to air transport in Canada and they would like to have the company in the area, but not at the expense of a Halifax industry.

● (2215)

Canadian Pacific has already announced that it proposes to build a $15 million terminal in Toronto. This is the sort of activity to which we are opposed. We want EPA to be a local industry, a growing industry, and this requires the assistance of the Canadian Transport Commission. So we hope the minister will reverse this decision of the Transport Commission and allow EPA to continue its contribution to the economic development of Canada.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on June 6 the hon. member for Halifax West (Mr. Crosby) asked the Minister of Transport (Mr. Pepin) whether the Canadian Transport Commission's decision concerning Toronto-Halifax air services had been appealed and, if so, to what authority.

I would like to confirm that Eastern Provincial Airways has appealed the CTC's decision to the Minister of Transport under section 25 of the National Transportation Act. EPA has asked the minister to rescind, in part, this decision, in order to allow EPA rather than CP Air to provide non-stop Halifax-Toronto service or, alternatively, to vary the decision in order to allow EPA and CP Air equal rights to serve Halifax-Toronto. I would add that CP Air has also appealed the CTC decision to the minister, although its appeal does not concern the Halifax-Toronto route but rather CP Air's authorization to serve Halifax directly from other points on its domestic licence.

The hon. member for Halifax West also asked when any such appeal will be heard and determined, and what considerations will be involved in the appeal process. Appeals to the Minister of Transport are governed by legal rules under the National Transportation Act. Under section 64 of the act, the governor in council may also vary or rescind CTC decisions of his own motion.

This very complicated issue is now under active consideration and will be decided in the very near future.

INDUSTRY—ASSISTANCE TO INCO PLANT

Mr. Rod Murphy (Churchill): Mr. Speaker, on May 12 of this year I brought the issue of the closing of a number of iron ore mines and mills in Canada to the attention of the House. The mills which are closed down include the Steep Rock iron mines in Atikokan, National Steel in Capreol, and Inco in Sudbury.

It was the decision of Inco to close down its mill coupled with the fact that they had 500,000 tons of iron ore in their stockpiles which prompted my question. When I directed my question to the Minister of Industry, Trade and Commerce (Mr. Gray) I was asking, basically, what he was willing to do considering that 35 per cent of the iron ore used in making Canadian steel comes from offshore. The minister replied, in effect, that he would review the situation. I went on to ask the minister whether he was prepared to call in the heads of the various steel companies to consider what could be done to encourage the use of Canadian ore in Canadian industry. In the press the next day the response we saw was, "Gray to Study the Use of U.S. Ore". That was in *The Ottawa Journal*. In *The Citizen* it was, "Gray to Probe Steel Firms Using U.S.

Ore". In another paper it says, "Gray To Ask Why Steel Firms Using So Much Imported Ore".

● (2220)

I assumed that we were going to get action. By June 5 I saw that no action was taking place, and I realized that Canadian jobs were being lost and that our balance of trade was getting worse as a result of this situation, so I wrote to the minister asking what was happening. "I interpreted his response at that time as being quite favourable. As a result I had been waiting eagerly for an announcement by his office about the details of such a meeting. Unfortunately, I had not heard of such an announcement during the intervening weeks since my question."

Then last week the intention of Iron Ore Company of Canada to lay off 3,000 workers in Quebec came to light, and our New Democratic Party spokesman on economic affairs, the hon. member for Broadview-Greenwood (Mr. Rae), raised the same questions in the House. At that time, on June 11, the minister replied that he was still trying to set up a meeting with the heads of the Canadian steel industry. That was on June 11, one month after I had originally raised the question in the House.

What did the minister say? He said he would ask these people if the steel companies are importing 45 per cent of their ore. It took him one month. Presumably he still has not set up a meeting to find the answer to a very simple question. It is not a new matter. It is a matter which was raised prior to the sitting of this House. It was raised in the last two Parliaments, yet the minister is still trying to set up a meeting. When the shoe is on the other foot and when the industry wants to meet with the government then we see action.

I would like to quote from *Business Week* and give certain quotes from spokesmen of various Canadian steel industries. The head of Stelco, Mr. Gordon, said:

> Government authorities and Canadian steelmakers have cultivated a warm relationship, and it works so well that the industry apparently feels no need for either a trade organization or company lobbyists in Ottawa.

Mr. Macnamara, the head of Algoma Steel, said:

> When we see a problem that might be damaging to the industry as a whole . . . we meet with the government to try and resolve it. I don't know why that is impossible in the U.S., but at least in Canada we have an audience.

The steel industry has no trouble getting the ear of the minister, but when the minister wants to have the ear of the steel industry, he cannot even set up a meeting. This Minister of Industry, Trade and Commerce talked very toughly about foreign investment in the past. He has talked toughly about the need for control of our own economy, yet it takes over one month to set up a meeting.

We have iron ore sitting in the slag heaps in Sudbury. In the provincial parliament the New Democratic Party has refuted the argument that Canadian iron ore cannot be used in the development of steel in Canada. Bud Germa, Elie Martel and Michael Cassidy have refuted this and other arguments which have been used as excuses for closing down Canadian industries and for laying off Canadian workers. What we need is a strategy to develop the use of our resources. What we need is an industrial strategy to meet the needs of young people, native Canadians, miners and women in the underdeveloped regions of this country. What we do not need is a government which cannot even set up a meeting with the steel companies. Once that meeting is set up, what are they going to do? If it takes one month to set up a meeting, how long is it going to take for them to come to a decision to do something? How many more Canadians have to be laid off? There have been 3,000 notices of lay-offs since we first asked this question a month ago, and nothing has happened.

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State, Trade): Mr. Speaker, the Department of Industry, Trade and Commerce had an opportunity to look seriously into the matter of lay-offs in the iron ore mining industry. The U.S. recession and the general reduction in demand are at the roots of the problem; indeed, the present state of the automobile industry is an obvious illustration of that. Consequently, in both Canada and the United States the mining industry is operating at a reduced rate. The Department of Industry, Trade and Commerce and the Department of Energy, Mines and Resources are constantly monitoring the variations in supply and demand. The Government of Canada intends to raise with the Canadian steel industry the issue of ore supplies and their sources.

Very soon, the Minister of Industry, Trade and Commerce (Mr. Gray) and his colleague, the Minister of State for Mines (Mrs. Erola), are scheduled to meet the supply officers of the companies involved. In addition, at a later meeting, the Minister of Industry, Trade and Commerce along with the officials and leaders of the steel industry will be discussing among other things ways to allow a more rational use of Canadian sources of iron ore. It is the common wish of the government and the industry to find appropriate solutions to all questions having to do with supply and related problems. We are confident those discussions will result in concrete results. Incidentally, and to reiterate what my colleague from Windsor West said on May 12 last, we can be proud of the Canadian steel industry which is 100 per cent controlled by national interests and passes for the most productive, efficient and modern in the world. It is in that spirit that we are advocating policies to increase the processing of Canadian resources at home.

Mr. Murphy: When?

Mr. Lachance: To answer the hon. member, very soon.

● (2225)

[*English*]

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

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 17, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

U.S.S.R. ATROCITIES IN AFGHANISTAN—CONDEMNATION THEREOF—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

I have received from the townships of Flos and Tecumseh, in my constituency, an endorsement of a resolution from the town of Exeter, and in view of the fact that the Secretary of State for External Affairs (Mr. MacGuigan) has been criticizing the foreign policies of peaceful nations friendly to our country, while ignoring the recent action of Soviet troops in the killing of 60 innocent school children in Kabul, Afghanistan, on April 26, 1980, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this government show courage and determination in expressing to the government of the Union of Soviet Socialist Republics our disgust and horror at these atrocities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARKS CANADA

CHANGE OF NAME OF ELK ISLAND NATIONAL PARK TO PRINCE PHILIP NATIONAL PARK—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of particular significance to Albertans.

During the summer of 1978, Her Majesty Queen Elizabeth and Prince Philip made an official visit to Alberta on the occasion of the Commonwealth Games which were held in Edmonton. The Queen officiated at the opening, and Prince Philip officiated at the closing of the games. In addition, the Queen and Prince Philip made an historic and highly successful tour of the multicultural and multilinguistic communities north and east of the city of Edmonton and endeared themselves to these pioneering citizens.

I therefore move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the name of Elk Island National Park be officially changed by the federal government to the Prince Philip National Park, and that Prince Philip be invited to officiate at a name-changing ceremony as part of Alberta's seventy-fifth anniversary celebrations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ECONOMIC BOYCOTTS

PROTECTION FROM FOREIGN BOYCOTT OPERATIONS AGAINST CANADIANS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion. In view of the numerous statements made by the Minister of Industry, Trade and Commerce (Mr. Gray), prior to his appointment to the cabinet, which called for legislation to protect individuals and companies from foreign boycotts, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government immediately introduce legislation to protect individuals, companies and businesses from the consequences of foreign boycott operations against Canadian citizens or companies.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL BUSINESS

HARDSHIP CAUSED THROUGH PAPER WORK INVOLVED IN COLLECTION OF FEDERAL TAXES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

S.O. 43

Because this government claims to be committed to reducing the amount of paper work inflicted on small businessmen by the federal government, since this government in its April 21 mini-budget introduced provisions which shift the responsibility for the collection of federal sales and excise taxes from multinational oil companies to small, independent oil dealers, and due to the fact that this responsibility placed upon the backs of small, independent distributors causes undue hardships on small businessmen as they are forced to become licensed collectors of federal sales and excise taxes, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this government regain its sanity and return the responsibility for collecting federal sales and excise taxes to the large oil companies, which have the resources to handle this paper work, rather than placing the burden on small, independent distributors.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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WORLD BANK

REPORTED CANDIDACY OF HON. JOHN TURNER FOR PRESIDENCY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. A recent press article reports that former finance minister John Turner is a candidate for the position of president of the World Bank. Given Mr. Turner's record of fiscal mismanagement when he was finance minister, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Canadian government protest in the strongest possible terms Mr. Turner's possible appointment as head of the World Bank, which would give him the opportunity to do to the world what he did to Canada during his disastrous tenure as finance minister.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

REGIONAL DEVELOPMENT

FUNDING OF DREE PROJECTS—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): In light of the fact that the Deputy Minister of Regional Economic Development today provided information to the Standing Committee on Regional Development which proved that Canadian taxpayers are not receiving their money's worth from DREE incentives to large multinational corporations—money which is often given only because the companies threaten to locate elsewhere—and since the figures provided today indicate that the $21.5 million given to small businesses provided 4,680 jobs in 1979-80, since the $72.3 million given to large corporations provided 4,690 jobs—a mere ten jobs more for the extra $50 million given to large corporations—and since, in addition, the deputy minister also confirmed that the $23 million in federal funds was provided in the last four years to assist the now closed ITT plant in Port Cartier, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House instruct the Minister of Regional Economic Expansion to fund only those operations with less than $2 million in approved capital costs, in order that Canadian taxpayers receive the best number of jobs per dollar spent on regional development projects; and, further, that the government reopen the ITT plant in Port Cartier as a Crown corporation to provide jobs for this hard-pressed region, and ensure that the $23 million spent in the last four years on this new plant not be wasted as another offering to the gods of multinationals.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL LOANS ACT

REQUEST LEGISLATION BE REPEALED—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I should like to move a motion under Standing Order 43. The Small Loans Act in totally irrelevant. It is causing persons wishing to borrow from credit unions and finance companies to borrow in excess of what they really need because of the strictures on interest rates.

The government has indicated that the act is no longer required nor, indeed, appropriate for today's times. This party has agreed with the government that it would, with limited debate, abolish this unnecessary statute if a bill were introduced to that effect. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House direct the government to forthwith introduce a bill to abolish the Small Loans Act, and forthwith bring the bill on for debate and immediate passage; and this House agrees to pass the said bill through all stages without delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

NEWFOUNDLAND—TRANSMISSION OF HYDROELECTRIC POWER THROUGH QUEBEC—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, on April 16, the Premier of Newfoundland wrote to the Prime Minister of Canada indicating that talks between Newfoundland and Quebec over the transmission of Newfoundland hydro power had broken down and were not productive.

Yesterday, the Minister of Energy, Mines and Resources seemed to be taking the side of Quebec in this dispute. I would make the point, in support of my motion, that Newfoundland has the same right to transmit its power through Quebec as Alberta has to transmit natural gas through Ontario to Quebec. Therefore, I would move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House direct the Minister of Energy, Mines and Resources, on behalf of the government, to comply with a written request to the Prime Minister of Canada from the Premier of Newfoundland to exercise its authority under the BNA Act to provide for transmission of Newfoundland hydroelectric power through the province of Quebec.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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DISARMAMENT

OBJECTION TO CONFERENCE ON ARMAMENTS BEING HELD IN OTTAWA—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise, under the provisions of Standing Order 43, to put a motion to this House on a matter of urgent and pressing necessity.

On Tuesday, Wednesday and Thursday of next week the American Defense Preparedness Association will be hosting an international conference on "Trends in Large Calibre Gun Systems" right across the street from this House, at the Government Conference Centre.

In view of the fact that security clearances for the conference will be processed through the Department of Supply and Services, that senior Canadian officials will be participants in the conference, and that Canadian companies—notably, Space Research of South Africa—will be plying their trade at this conference, and in view of the government's announced intention to name an ambassador at large for disarmament, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House direct the Government of Canada to have this conference either cancelled or moved from the Government Conference Centre or, failing that, at the very least prohibit Canadian officials from participating in conferences of such an inappropriate nature.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PRICING OF ENERGY AND SECURITY OF SUPPLY—GOVERNMENT PROPOSALS—POSSIBILITY OF TAX CREDIT PROGRAM

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, who knows that the present energy agreement runs out in less than two weeks. The minister has had six months since he voted against our energy proposals. He indicated the other day that he has now brought himself to proposing to Alberta an interim agreement by telephone.

● (1415)

In his meeting tomorrow with the province of Alberta, can the minister tell the House whether he intends to propose a detailed and comprehensive energy program, on behalf of Canada, which will deal with both price and security of supply and will extend at least three or four years into the future?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madame Speaker, I have already had meetings with my Alberta colleague. During our last one, I had the opportunity to make him some specific offers concerning the price of oil and gas in Canada. Up until now, my offers have been rejected. I contacted my colleague again to offer him an interim arrangement which would allow us to pursue negotiations and, in particular, to make sure that constitutional talks could go on unhindered by discussions on oil pricing.

Again tomorrow, I will be meeting with my colleague to explore with him other alernatives to those he has rejected to date. As I indicated, these alternatives will comprise many factors which will cover the points raised by the Leader of the Opposition.

[*English*]

Mr. Clark: Madam Speaker, the minister has indicated that in his earlier meeting he discussed only questions of price, and that tomorrow he intends only to explore solutions to the problem of renewing an agreement which expires in less than two weeks.

Does the federal government have a firm and detailed proposal to submit to the producing provinces? If not, what has the federal government been doing these last six months?

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, I regret that the right hon. Leader of the Opposition counts so badly. This government has not been in office for six months: it took at least two months to bring down the terrible government we had last year.

Some hon. Members: Oh, oh!

Mr. Lalonde: As far as the point raised by the right hon. Leader of the Opposition is concerned, I want to assure him that the offer I will put forward will be comprehensive.

Mr. Clark: Perhaps I was giving the minister too much credit for foresight. I assume that when he voted down an energy policy which would have given Canada security of supply and an effective pricing increase, he had an alternative in mind six months ago.

Some hon. Members: Hear, hear!

Miss MacDonald: Obviously, he did not.

Mr. Clark: What troubles me is that there is no evidence he has an alternative in mind today, 13 days before the expiry of the agreement now in place. I should like to ask him a couple of specific questions about the comprehensive agreement he intends to discuss tomorrow with the government of Alberta.

Can the minister tell the House of Commons whether there will be a provision for some kind of special help to lower income Canadians who will be affected by the price increases that will come: special help either in the form of the kind of tax credit proposed by my government or by some other means?

Can he tell us whether the federal proposal he intends to put before the province of Alberta tomorrow involves using some of the tax moneys from the petroleum industry in Canada to establish an institution similar to the Canadian Energy Bank that will allow and encourage Canadian individuals to invest in the development of the Canadian energy? Will those details be part of the precise package which he will put before the government of Alberta tomorrow?

Mr. Lalonde: Madam Speaker, the hon. Leader of the Opposition seems to be very exercised about the fact that we have been negotiating for four months. I need only remind him that it took him six months not to reach an agreement with the government of Alberta.

Some hon. Members: Hear, hear!

● (1420)

Mr. Lalonde: We are going to meet again tomorrow, and meet as long as necessary. There have been indications by myself and by the minister of energy for Alberta that July 1 was a target date, not a deadline, and that we were trying to reach an agreement by July 1. I am sure the hon. Leader of the Opposition has read the press reports both from me and from Mr. Leitch to the effect that if some progress shows up, we would continue our discussions even after July 1.

As to the specific contents of these exchanges, I indicated before that I did not intend to reveal the content of the specific proposals that might be made by the government of Alberta: I do not think I should do so unless and until we have met, discussed them and agreed to make them public. I think for the purpose of frank and honest discussion I should at least pay the courtesy to my colleague of having meetings with him first before revealing any of these contents.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the minister is prepared to reveal details on national television, but not in this House of Commons. Can he tell us, in respect of the proposal he is going to put to the Alberta government tomorrow, first of all whether it will be a firm proposal; and, secondly, whether that proposal will include elements other than simply price?

Mr. Lalonde: Madam Speaker, the Leader of the Opposition claims that I have not been willing to give information to the House of Commons. Last week I sat every day in the House expecting a question asking me what offer I would make to the government of Alberta, but I am afraid the opposition was not on its toes. I do not know whether the opposition was asleep, but they did not rise at the time.

Some hon. Members: Oh, oh!

An hon. Member: Tell us now.

Mr. Lalonde: It took somebody from the press to ask me the question whether an offer had been made and what the answer might be. As far as the question raised by the hon. member is concerned, I have already said that the offer I would make would be comprehensive.

DATE OF COMMENCEMENT OF ALSANDS AND COLD LAKE PROJECTS

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary for the Minister of Energy, Mines and Resources. The June 30 deadline is well known. Perhaps less well known is another deadline—but of vital importance—and that is the August 1 deadline by which government concurrence is required in order to permit both the Alsands and the Cold Lake projects to commence this year—projects of $6 billion each. Is it the government's position and policy that either, or both, of those projects commence in 1980?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would hope that our discussions with the government of Alberta will have reached a definite conclusion by the end of July, at the latest.

Mr. Jarvis: Then I do not understand, Madam Speaker, why the minister is, or has been talking in terms of an October agreement and simply an interim agreement. He will be aware that his colleague, the Minister of State for Economic Development, in the other place, indicated that Alsands alone in the construction and engineering phases, together with the

multiplier spin-off, would create 110 million man-hours of employment or 55,000 jobs, many of which would be in Ontario and Quebec, in manufacturing, engineering and other professional services.

I want from the minister his commitment that this employment and economic project will not be delayed one full year while the minister talks about interim agreements, when these two projects need concurrence by August 1.

Mr. Lalonde: Again, Madam Speaker, I have had the opportunity of meeting with officials of Alsands and discussing this matter with them. The hon. member also knows, from the past, that the problem with regard to Alsands has not been with the federal government but has been with the government of Alberta which has up to now refused authorization to proceed with the Alsands project.

An hon. Member: Who invoked the force majeure?

Mr. Lalonde: If the government of Alberta gives the proper authorization, I am sure the Alsands group will be very eager to proceed. As a matter of fact, they have decided, as the hon. member knows, to proceed this year with expenditures without even having firm authorization from the government of Alberta to proceed. I think that is a clear indication of where the responsibility lies at the present time.

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● (1425)

EXTERNAL AFFAIRS

DISARMAMENT—OBJECTION TO CONFERENCE ON ARMAMENTS BEING HELD IN OTTAWA

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Secretary of State for External Affairs. In view of the government's commitment in the Speech from the Throne to world peace and disarmament, and the pending appointment of an ambassador for disarmament, can the minister tell the House why the Canadian government is hosting a secret armaments conference sponsored by the American Defence Preparedness Association here in Ottawa at the Government Conference Centre from June 24 to June 26?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, it is not the Canadian government that is the host of this conference; it is the American Defence Preparedness Association. We happen to be involved in assisting them because we believe that Canada has an interest in seeing that that conference takes place successfully.

RCMP REPORT ON SPACE RESEARCH CORPORATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I beg to differ: the government is hosting the conference and has made available the Conference Centre in order that the conference might take place on the minister's permission. A number of senior officials from National Defence, Space Research Corporation and IT & C are taking part. Speaking of Space Research Corporation, I would like to address my supplementary question to the Minister of Justice or, in his absence, the acting minister or the Prime Minister if he is interested.

In view of the participation of Space Research Corporation in this secret armaments conference, and in view of its recent conviction in the United States courts for illegally selling arms to South Africa in violation of the UN arms embargo, will the minister or the Prime Minister inform the House why the RCMP report on the activities of Space Research Corporation has been kept secret and when, if ever, it will be released?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of most of the facts to which the hon. member has referred, but I will be happy to take note of the question on behalf of the minister.

Miss Jewett: Madam Speaker, I shall then ask a question of a minister who is present, the Minister of Supply and Services. Can the minister confirm recent reports that the government is considering having Canadian Arsenals Limited acquire a substantial interest in Space Research Corporation, and whether that interest will include the 20 per cent that is now owned by the South African government's armaments corporation, Armscor?

Will he, further, tell the House what contracts government departments or agencies currently have with Space Research Corporation?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, with reference to the first part of the hon. lady's question, this is a matter which is to go before cabinet; therefore, I would hope that the hon. lady would wait until the end of this month in order to permit me to bring the matter before cabinet, which will enable me to be in a position to provide further information to the House.

With regard to the second portion of the hon. lady's question, I would like to take notice of it and I will provide the information at a later date.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, UNITED KINGDOM

Madam Speaker: I should like to draw the attention of members of the House to the presence in our gallery of the hon. Nicholas Ridley, Minister of State for Foreign and Commonwealth Affairs, of the United Kingdom.

Some hon. Members: Hear, hear!

Oral Questions

ENERGY

GASOLINE—USE THEREOF BY NON-CANADIANS—GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources: it concerns energy costs. I have a particular concern with respect to Canadian-subsidized fuel being sold for foreign use.

The minister is aware that the Canadian taxpayer subsidizes foreign businesses and foreign consumers for up to at least 50 cents a gallon for every gallon that is used by foreign businesses and foreign consumers. It is my understanding that this practice is costing the Canadian taxpayer in the order of $100 million. I should like to ask the minister if he can confirm that figure; and, if so, could he advise the House what he is doing about it?

● (1430)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): On the first point, Madam Speaker, I notice that one hon. member yesterday referred to a figure of $100 million with regard to car use. The advice I have from my officials is that that figure is much in excess of what it would most likely be: it is more likely about half of that amount, in realistic terms. However, that amount is substantial and is not indifferent, even though out of that the road tax going to the provinces would probably represent something like $20 million, so there is an element of revenue.

I should like to assure the hon. member that I am reviewing this whole question both with regard to marine and airline transportation. Consultations are going on with other departments at the present time, and I hope to be able to make some recommendations to cabinet before long.

As far as the question of car transportation is concerned, consultations have taken place with the government of the province of Ontario, where most of the problem arises, and also with representatives of the industry. Consultations have also taken place with other departments, and I am expecting reactions from the industry by the end of this month, after which I should be in a position, again, to make recommendations to my colleagues and advise the hon. member of any steps that should be taken, if some steps are required.

Mr. Crombie: Madam Speaker, I appreciate the advice from the minister that he has the matter under review. There are a good number of Canadians who are not aware of the magnitude of the practice and that we are, in fact, now subsidizing both foreign businesses and foreign consumers to a considerable degree.

I would ask the minister if he would bring forward information to the House on whether it is $20 million, $50 million or $100 million, or whatever the figure may be, prior to whatever course of action he is going to take, so that we can at least have the information as it relates not only to cars and trucks but also to vessels and airplanes. Would he make the information public, so that at least Canadians may be aware of how much they are subsidizing foreign businesses and foreign consumers?

Mr. Lalonde: Madam Speaker, the hon. member recognizes, I am sure, that this is not a piece of statistical information. We have to operate on guesstimates and assumptions. The figure I have given to the hon. member is what appears to be a reasonable guesstimate on car-implied subsidization.

As I said, we must also take into account the substantial contribution to provincial revenues by increased road taxes that would be collected on additional gasoline sales. As far as providing statistical information to the hon. member, I do not think we can do that, because that information is not available on a sure basis. At best, one has estimates.

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THE CANADIAN ECONOMY

STATISTICS CANADA INDICATION OF DROP IN REAL GROWTH

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Finance. It touches, obviously, on the very alarming figures released by Statistics Canada today, which indicate that in the first quarter real growth in Canada was down half a point—which is 2 per cent if you annualize it over the four quarters of the year.

Bearing in mind that we have not had such a drop since a similar quarter in 1974 just prior to the last recession, would the Minister of Finance indicate whether he holds to his forecast that real growth this year will be a positive .5 per cent?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in reply to the hon. member I want to tell him that I have not yet revised these forecasts. The Department of Finance has not produced new projections. It may be that as the year advances, further projections, will be relevant and necessary.

Mr. Stevens: Madam Speaker, I hope that all members of the House noted that the Minister of Finance said he had not yet revised his forecast. Obviously, the war may be over before he gets around to changing his own forecast.

Let me draw the minister's attention to the fact that Statistics Canada says that residential construction is down 6.1 per cent in the quarter. As the Conservative government anticipated there would be a drop in residential construction, and brought in the municipal tax credit and the mortgage interest credit to try to encourage residential construction, would the minister indicate if we may expect comparable legislation or action in order to encourage residential construction in this country?

Mr. MacEachen: No, Madam Speaker, we would not want to reintroduce a comparable measure containing the inequities that were in the measure referred to by the hon. member.

FINANCE

INTRODUCTION OF BUDGET

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is also for the Minister of Finance. In light of the figures released by Statistics Canada today showing the real decline in the level of the economy, in light of the fact we are now told by the Minister of Energy, Mines and Resources that it will be some time before an agreement is reached with Alberta and that there is an attempt to find an interim solution, also in light of the lay-offs that are occurring every day—which are causing hardship throughout Canada—is the minister reconsidering his earlier indication to the House that he will not bring in a budget until after an energy agreement is signed and, in any case, not before the fall? Does he not think the time has come, as we begin this cyclical downturn, to bring in a budget so that it will have some effect?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the question of the hon. member contains a large number of implications, including the question of whether at this time it would be my decision to undertake further stimulus to the economy or, to put it another way, to add further to the already high deficit.

As the hon. member knows, the current budgetary deficit is running at about $14 billion, which in itself is providing considerable support to the economy. I have not reached the conclusion at this point that it would be appropriate to add further to the deficit in the present circumstances.

Mr. Rae: Madam Speaker, I would refer the minister to the report of the Canadian Institute for Economic Policy on Inflation and Unemployment, which points out that government policy, including provincial government policy, since 1975 has not been in a net way, stimulative at all.

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THE CANADIAN ECONOMY

MEASURES TO STIMULATE ECONOMIC GROWTH

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my supplementary question is for the Prime Minister. In light of the fact that on December 13, when the Prime Minister was leader of the opposition, he said that his party would support a policy of cutting taxes and stimulating the growth of the economy, may I ask how he and his party could have supported such a motion on December 13 and now have the Minister of Finance tell the country that it is not the policy of the Liberal party to support cutting taxes or stimulating the growth of the economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am somewhat surprised at the statement the hon. member attributes to me. I do not recollect saying those things. It seems to me they are things the New Democratic Party was saying.

An hon. Member: They got your vote.

Mr. Trudeau: If the hon. member wants to say what his party said, he should say so: he should not say that I said it.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER GOVERNMENT HAS ENTERED INTO AGREEMENTS ON DEVELOPMENT OF EASTERN QUEBEC

Mrs. Éva Côté (Rimouski): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion.

On several occasions the minister said that he wanted to conclude an agreement with the Quebec government for the regional development of eastern Quebec so that the area would no longer be only considered in sectorial agreements now in effect. Could the minister tell the House if such an agreement was officially suggested and what was the response of the Quebec government? In addition, if such an offer was made, could he also tell us what part was played by the Canadian government in that agreement?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, indeed the federal government in 1968 with the government of Mr. Daniel Johnson and later with that of Mr. Bourassa succeeded in concluding an agreement under which both governments set up a fund of regional development for the Lower St. Lawrence, the Gaspé Peninsula and the Magdalen Islands. Since 1976, the Quebec government has refused to sign such agreements but yesterday I had the opportunity to explain to the people of the Lower St. Lawrence how since 1976 the investments, expenditures and disbursements have been dramatically reduced since the Quebec government, contrary to the two previous ones, refuses to sign such agreement. This is why I was so much comforted when the Lower St. Lawrence and North Shore Association of Economic Development Officers who belong to various political parties took a position yesterday in favour of another regional agreement, a written proposal which I made three weeks ago—

• (1440)

Madam Speaker: If the hon. minister means to give us a complete historical account of the Eastern Quebec Planning Bureau, I will have to ask him to mention names which are very dear to me. Could he reply very briefly to the question of the hon. member for Rimouski?

Mr. De Bané: Madam Speaker, I understand your remarks; may I suggest, however, that I find quite unacceptable for a government—

Madam Speaker: Order, please. In my opinion, what is acceptable is for the minister to reply very briefly to the

question which has been directed to him, because he has already used a good deal of the House's time.

Mr. De Bané: To conclude, Madam Speaker, I will say that in a formal letter, I advised the Quebec government several weeks ago that I was willing to sign with that government another regional agreement concerning the Gaspé Peninsula, the Lower St. Lawrence area and the Magdalen Islands.

DREE PROJECTS—REQUEST FOR PUBLICIZING OF AGREEMENTS WITH QUEBEC SINCE 1976

Hon. Roch La Salle (Joliette): Madam Speaker, I wish to ask a supplementary question. It is always interesting to hear what the Minister of Regional Economic Expansion has to say.

To cut it short, could the Minister of Regional Economic Expansion commit himself today to make public, on motions or in a statement, all agreements since 1976 that the Quebec government has refused and the proposals it has made to the federal government and that this government has rejected?

To save time, could the minister make a public statement on the negotiations between Quebec and Ottawa since 1976?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I have no objection whatsoever to making public various projects suggested by the Department of Regional Economic Expansion which the present government in Quebec rejected for the sole reason that they would make the presence of the federal government in the province of Quebec more visible.

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[*English*]

INCOME TAX

REMOVAL OF INDEXING—UNFAIRNESS TO LOWER INCOME CANADIANS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, My question is to the Minister of Finance and is further to the statement he made in answer to an earlier question. The trial balloon which the government has floated in relation to the removal of indexation on personal income tax is causing Canadians considerable concern, particularly as it would result in a tax increase of over 100 per cent for a married taxpayer with two dependants with a taxable income of $10,000, a tax increase of around 10 per cent on a taxable income of approximately $20,000, and a tax increase of only 5 per cent on a taxable income of about $50,000.

Since the burden of such an increase falls on those in the lower income tax brackets, would the minister not agree that increasing taxes in this manner is most insidious, unfair and regressive? Would it not result in the inequities that he spoke of in such a negative way in his earlier answer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I appreciate the opportunity to state two things in reply to the question: first, no decision has been made with respect to indexation of the income tax system; second, whatever tax changes were introduced in a budget, I want to assure the hon. member that they would be equitable and they would not attempt to solve the economic problems of the country or the fiscal requirements of the government on the backs of the low income people of this country.

Some hon. Members: Hear, hear!

Mr. Wilson: Madam Speaker, I very much appreciate the response of the Minister of Finance. We will remember it if and when he ever brings down a budget. I would hope that in the course of the preparation of that budget he will remember the interests of the fixed income taxpayers of this country, such as our pensioners.

Will the minister agree that the removal of indexation would be a devious tax dodge which would increase taxation revenue, but would deprive Canadians of a tax measure which is widely regarded as being one of the few disciplines left to encourage this government to control its spending increases?

Mr. MacEachen: Madam Speaker, there is a difference of opinion in the country, as I have learned, on the question of the appropriateness of de-indexation. It is not something that has happened. It may not happen and, therefore, the hon. member ought not to paint difficult scenarios for the people of the country.

But I would say that just recently the financial critic for the NDP, I believe just a moment ago, referred me to the institute on public policy, suggesting that I should read its publication for my instruction. I understand that that body, as one example, has recommended certain changes in the index system in order to deal with the current situation. I make that point simply to tell the hon. member that it is not something one ought to drive out of one's mind as being totally unworthy of consideration. Even his colleague, the former minister of finance, told us that he had considered the proposal: that is what I am doing at the present time.

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GOVERNMENT EXPENDITURES

GOVERNMENT FUNDING OF SPACE RESEARCH CORPORATION—CRITICISM THEREOF

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Minister of Supply and Services: it concerns Space Research Corporation. Given that this firm and two of its officers have been found guilty in a United States district court of violating the United Nations embargo on the sale of arms and technology to South Africa, and given that a *pré-enquête* is under way in Quebec to determine whether or not there is sufficient evidence to pursue criminal charges against the firm and its officers in Canada, will the

minister give us his clear and unequivocal assurance that during this period of time no new government funding will be provided to Space Research Corporation until at least the full judicial process has been concluded and the outcome determined?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I can assure the hon. lady that my department is not responsible in any way for the funding of Space Research, nor is it presently considering funding Space Research. Perhaps the hon. lady would direct her question to the minister whose responsibility it may be to consider such funding.

Mr. Clark: We have not been able to find one.

Miss MacDonald: Madam Speaker, I will gladly direct my question to the Prime Minister so that the House can be assured there will be no funding of Space Research Corporation during the period of time the *pré-enquête* in Quebec is under way. Also, is sufficient information available to determine whether or not criminal charges should be laid against the firm in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, earlier in the question period I had an opportunity to give an answer to a question along those lines.

Miss MacDonald: No, this is about funding.

Mr. Trudeau: I indicated that I was not aware of the facts and that I would take notice of the question.

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ENERGY

PROPOSAL TO EXPORT LIQUEFIED NATURAL GAS FROM FAR NORTH

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns a proposal by the Arctic Pilot Project group to produce liquefied natural gas from the far north for export to foreign markets.

A report in last Thursday's *Globe and Mail* stated that the gas would be sold either to the United States or to offshore buyers at the prevailing export price. Does the minister feel that it is in the interests of public policy to exploit northern gas reserves for the sole purpose of supplying foreign markets?

• (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the question of the export of natural gas or oil is one which comes first of all before the National Energy Board, which analyses the situation in the light of total supplies—whether there is a surplus of gas or a surplus of oil. The Energy Board makes such reviews regularly and its reports are published. Then it is up to the government of the day to decide whether or not to approve exports.

At the present time, no application has gone before the National Energy Board and, obviously, no recommendation has been made to cabinet. I suspect it will be several months, if not years, before the cabinet is faced with the need for a decision of the kind the hon. member mentioned.

Mr. Ittinuar: *The Globe and Mail* of Thursday last also reported that "only a few details remain to be settled" before a supply contract can be signed with Panarctic Oils Limited, and that a letter of intent has been initialled by the Arctic Pilot Project group and its United States customers.

Since the project is now going through the environmental assessment and review process, and still must await the National Energy Board's decision, does the minister not feel that these agreements are premature, and do they not presuppose the outcome of the regulatory process?

Mr. Lalonde: I think there is some misunderstanding of the usual practice in this regard. This type of understanding or letter of intent is a regular feature of exchanges between potential buyers and potential sellers. As the hon. member knows, these letters of intent do not have any effect unless and until the Energy Board gives approval for exports.

As a matter of fact, the Energy Board will not hold hearings unless there are specific proposals for sale and specific offers for purchase. The Board will not entertain, I suspect, a hearing on what would be a purely hypothetical offer; there must be a specific proposal, and that is what is happening in this case. It is the standard practice of the Energy Board.

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CONVENTION CENTRES

FINANCIAL CONTRIBUTIONS TO DEVELOPMENT OF RIDEAU CENTRE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, in view of announcements made yesterday in Toronto and Montreal by several ministers concerning federal financial assistance to convention and trade centres, can the minister tell us what plans he has for Ottawa and, more specifically, for the long-standing commitment of the government in regard to the Rideau area development project?

Can he tell us, also, what he has in mind with regard to securing provincial financial contributions to the development of the Rideau Centre and indirectly to the convention centre?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have been authorized by cabinet to pursue, as the Minister of Public Works who is responsible for reporting for the National Capital Commission, negotiations for the redevelopment of the Rideau area Crown lands in downtown Ottawa.

I have made attempts to continue negotiations with Ottawa region and city officials and with ministers of the province of Ontario. These negotiations are continuing, and I hope in short order to be able to give full particulars to the hon. member.

Oral Questions

ENERGY

PLANS RESPECTING CHANGEOVER FROM OIL-HEATING TO GAS-HEATING EQUIPMENT

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. As one of the most effective ways to make this country self-sufficient in oil is to switch over from oil-heating to gas-heating, is it the intention of the government to start this very important process moving along by subsidizing the changeover from oil-heating equipment to gas-heating equipment; and, if so, when may we expect an outline of the government's plans in this regard?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First, I would be very pleased to send the hon. member a copy of my very important speech to the Canadian Pipeline Contractors Association in which I announced a number of firm decisions by this government, whose effect would be to encourage the substitution of gas for oil in a large number of homes and commercial enterprises in eastern Canada, particularly in Quebec. I also indicated that there would be upgrading of heavy fuel oil to provide gasoline and diesel oil in greater quantities to the Canadian public.

As for the specific question raised by the hon. member, that is obviously a matter which, if it were part of it, would be covered by a general announcement of new policies and strategies with regard to energy.

Mr. Hees: The minister in his reply outlined everything except what I asked for. He mentioned a few things which he had suggested here, there and all over the place, none of which are 10 per cent as effective as subsidizing the cost of the changeover from oil-heating to gas-heating equipment. That is the key to the whole problem.

I ask the minister once again: is he considering subsidizing a changeover from oil-heating to gas-heating? If he is, would he say so? If he is not, would he admit it plainly and straightforwardly?

Mr. Lalonde: I am sure the hon. member knows that since 1974 this government has been subsidizing gas consumption by the introduction of a regime whereby the cost of gas is set at 85 per cent of the Btu value of oil. In that sense, for the last six years—thanks to the policies of the Liberal government—the consumer has benefited from a substantial subsidy when consuming gas rather than oil. Whether we should add further to this subsidy is a matter I am presently reviewing and an announcement will be made in due time.

Mr. Hees: In other words, the government has no intention of subsidizing the changeover.

SCIENCE AND TECHNOLOGY

PROTECTION FROM PRODUCTION OF ELEMENTS IN VIOLATION OF HUMAN INTEGRITY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Justice my question is directed to the Minister of State for Science and Technology. Yesterday, the United States Supreme Court issued a verdict which gives inventors control over life creation resulting from gene-splitting or genetic engineering. As a result of this decision, the inventor of living organisms is guaranteed the right to make and sell his creations.

Apart from the immediate practical advantages of this decision, such as General Electric's solution to oil spills by developing a new bacterial strain, there are serious implications to all of us ranging from uncontrollable organisms and bacterial warfare to the manipulation of test-tube life. Does the government recognize the dangers of this U.S. Supreme Court decision, and does the minister intend to allow multinationals like General Electric to control, through patents, technology which might prove to be the ultimate violation of human integrity?

Some hon. Members: Hear, hear!

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): I thank the hon. member for drawing this decision to my attention. Clearly, this is a complicated matter and I should like to examine it before reporting back to him. What I can say, though, is that—last week I announced the formation in Canada of a committee—a task force to examine the problems raised by advances in biotechnology and report back to me. They, too, are active in trying to assess not only the technological possibilities of their potential impact on society, but also the moral impact and the general social implications which these developments might have for us.

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AGRICULTURE

CLASSIFICATION OF LOW-INCIDENCE BRUCELLOSIS REGIONS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Agriculture and it deals with the classification of low-incidence brucellosis regions by the Health of Animals Branch of his department. A part of my riding in Victoria county qualifies under this classification and has been waiting for some time to have restrictions lifted with regard to the movement and sale of cattle. Would the minister say whether or not this area is to be designated a low-incidence area? If so, when we can expect an announcement?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, all I can say is that I will investigate the matter the hon. member has raised, and if it is true—as I have no doubt it is—there must be some delay occurring or some slip-up somewhere and it will be rectified immediately.

• (1500)

ENVIRONMENTAL AFFAIRS

ENVIRONMENTAL ASSESSMENT AND REVIEW HEARING IN RELATION TO ARVIK MINE

Mr. Jim Fulton (Skeena): Madam Speaker, in the absence of the Minister of Indian Affairs and Northern Development my question will go to the Minister of the Environment. I am sure he is aware that start-up approval was given by the previous government to the Arvik mine, in the High Arctic, and that there never have been comprehensive or adequate environmental investigations.

Could the minister give the House a "yes" or "no" answer on whether he supports an environmental assessment and review hearing in relation to the Arvik mine?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): I am sorry, Madam Speaker; I missed the first part of the question. Normally, this would be a matter dealt with by the Department of Indian Affairs and Northern Development. It would make an assessment as to the environmental impact, and thereafter opt into the environmental assessment review process. I would be happy to undertake to look at exactly what the situation is now and report to the hon. member.

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[*Translation*]

STATISTICS CANADA

INQUIRY WHY AGENCY NOW UNDER DEPARTMENT OF SUPPLY AND SERVICES

Mr. David Berger (Laurier): Madam Speaker, I address my question to the President of the Treasury Board. I would have liked to put it to him last evening at the meeting of the Standing Committee on Miscellaneous Estimates but the meeting was cancelled. Therefore I should like to ask him now to confirm to the House whether his responsibility for Statistics Canada has been transferred to the Department of Supply and Services, why that transfer was not announced in the House and what are the reasons for such a change.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it is true the change was made. I think an announcement was made to the press. I believe the right hon. Prime Minister should be asked the reason for this change.

[*English*]

PRIVILEGE

MR. RAE—LETTER CIRCULATED BY ROYAL BANK OF CANADA—RULING BY MADAM SPEAKER

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I indicated on May 13 that correspondence from a manager of the Royal Bank in Winnipeg raised a matter of privilege in that there was a fundamental ambiguity in that correspondence, which I read into the record, concerning the lobbying activities of that bank and of the Canadian Bankers' Association.

I also indicated at that time that in our view the letter, which referred to whether or not any bank information could be obtained concerning two of my colleagues in the House of Commons from Manitoba, raised an issue, and that is the question of the confidentiality of members' dealing with their banks and whether that confidentiality would be breached because of such correspondence.

I think it was indicated during that debate that it would be preferable if this matter was dealt with by the Standing Committee on Finance, Trade and Economic Affairs rather than as a matter of privilege. I have always taken the view that if you, Madam Speaker, find that the letter in itself is ambiguous and does raise a possible matter of privilege, the ambiguity should be resolved by the Standing Committee on Privileges and Elections and no where else and that Mr. Beattie, who is the author of the letter, should be asked to testify before that committee as well as Mr. MacIntosh, the president of the Canadian Bankers' Association.

The fact of the matter is that the meetings of the Standing Committee on Finance, Trade and Economic Affairs have been such that it simply has not been possible to call Mr. Beattie. I was working under the assumption that you, Madam Speaker, were going to rule as to whether it was a prima facie matter, which in my view would dispose of the case. I ask for a ruling on this as soon as possible since, in my view, the lobbying activities of the Royal Bank and of the Canadian Bankers' Association do pose a *prima facie* question of privilege which should be referred to the Standing Committee on Privileges and Elections. It should be discussed there, and in our view it cannot be dismissed lightly.

Madam Speaker: It was on May 13 last that the hon. member for Broadview-Greenwood (Mr. Rae) raised a question of privilege to complain about a letter from the Royal Bank of Canada which requested from certain bank managers information on two new members of this House. The information seems to have been sought in order to lobby members of the House. All members are subject to such lobbying, particularly in this case by the chartered banks. It may be that in this case it was not even that, but merely an internal communication circulated among certain banks. In my view there is nothing to suggest that it was done to influence or intimidate members of Parliament, as was alleged by some hon. members, and we would have to have proof of that.

At paragraph 71 Beauchesne says quite clearly, and I quote:

> Direct threats which attempt to influence members' actions in the House are undoubtedly breaches of privilege. They do, however, provide serious problems for the House. They are often made anonymously and it is rarely possible for the House to examine them satisfactorily. The common practice today is to turn the responsibility for investigating them over to the ordinary forces of the law.

Therefore, if the hon. member has any indication that there was an attempt to influence or intimidate the members, then we probably could pursue the matter further.

Erskine May says the following:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

Therefore, one has to prove that these actions, and in this particular case the letter written by an executive of the bank, did in fact impede the members from fulfilling their normal duties in the House of Commons. There is no indication that the information collected has been misused or has been used in such a way as to intimidate a member. There is no evidence which leads me to conclude that any member of the House has been impeded or obstructed in the performance of his parliamentary duties by the action complained of.

The suggestion has been made that my decision on this question of privilege be deferred until some evidence is brought out before the Standing Committee on Finance, Trade and Economic Affairs which is currently considering the Bank Act. I accepted that suggestion, and that is the reason I did not rule any sooner on this question. I took the matter under advisement until it was again raised in the House today.

It will be of interest for the House to know that on May 13 last, the same day the question of privilege was raised by the hon. member for Broadview-Greenwood, the Canadian Bankers' Association released a statement which gave some explanation about the information sought in the original letter which formed the basis of this question of privilege, and I understand that a representative of the association did also give some explanation in the committee to which I referred earlier.

Equally interesting to me is the fact that since the matter was first raised in the House on May 13 it has not been raised in the Standing Committee on Finance, Trade and Economic Affairs up to this day. For some reason members have not found it useful to call upon anyone to raise this question.

After giving the matter the serious consideration it deserves, I cannot find any evidence to persuade me that the privileges of members of this House have been breached, and I must therefore rule that there is no *prima facie* case of privilege in this instance.

MR. CLARK—TRANSFER OF RESPONSIBILITY FOR STATISTICS CANADA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a new question of privilege. It refers to a matter which just arose in the House when a government member, the hon. member for Laurier (Mr. Berger), posed a question to the President of the Treasury Board (Mr. Johnston) regarding a transfer of responsibility for the operations of Statistics Canada. I raise the matter because I think that the privileges of the House of Commons have been affected in two ways by a transfer of jurisdiction and a transfer of responsibility which has never been explained or presented to the House of Commons.

As the hon. member for Laurier indicated in posing a question to his own minister, he was denied the privilege as a member of Parliament of putting questions which he wanted to put in a standing committee of the House of Commons because the apparent indecision of the government as to which minister is responsible for Statistics Canada led to the cancellation of not one but two meetings of the Standing Committee on Miscellaneous Estimates.

Again the capacity of the House of Commons to carry out its responsibilities has been limited by the mystery or the indecision about Statistics Canada in that members of this House who might want to pose questions in relation to that agency do not know to which minister those questions should be directed because we do not know at this stage who reports for Statistics Canada in the House of Commons.

The President of the Treasury Board was obviously embarrassed and unhappy about the fact that responsibility for Statistics Canada has been taken away from him. That indicates that the matter has been one of some dispute within the government and it suggests that the Prime Minister (Mr. Trudeau) must have had some good cause for taking away from the President of the Treasury Board responsibility for an agency which previously reported to Parliament through that minister.

● (1510)

It would be very helpful to the House of Commons to know why Statistics Canada has been moved from the Treasury Board, why that decision could not have been announced to the House or could not have been finalized in time to allow the standing committees of the House to carry on with meetings that had been previously arranged. I think that probably the matter could be resolved if the Prime Minister or some other responsible minister would come into the House and tell us exactly what is going on with Statistics Canada; what was wrong with the President of the Treasury Board; why he is not able to carry out his responsibilities of reporting to the House of Commons for Statistics Canada; why, if the decision had been taken some time ago with enough advance notice to cancel two meetings of the Standing Committee on Miscellaneous Estimates, that information was not conveyed to the members; and why that information was not conveyed to the whole House.

There is unnecessary mystery here which I think simply reflects an unwillingness on the part of the government to indicate the reasons for its actions to the House of Commons. I simply want to draw Your Honour's attention to it because it has limited the capacity of members to function effectively in

standing committees and has limited our ability to direct questions effectively in this House since we do not know which minister is responsible for that very important and sometimes controversial agency of the Government of Canada.

Some hon. Members: Hear, hear!

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I had hoped during the question period—and I understand that the demands of time was the reason it was not possible to be recognized—to clear this matter up by asking the Prime Minister (Mr. Trudeau) whether in fact he had sacked the President of the Treasury Board (Mr. Johnston) as the minister responsible for Statistics Canada and, if so, why he felt that he was inappropriate in that responsibility.

I would like simply to supplement the remarks made by my leader because I think the House has been gravely mistreated in this instance. According to the CP report which went over the wire yesterday:

> Information director David Davidson said Blais assumed the responsibility Friday and that Johnston had said in a letter to the statistics agency's employees that Johnston had known when he was appointed his post would be temporary.

If indeed it is true that the Prime Minister had told the President of the Treasury Board that that responsibility would be removed from him at the time he was appointed, then the Prime Minister and the President of the Treasury Board had the responsibility to level with the Canadian people and the House of Commons. Instead, we learned about this announcement through a dispatch in the Canadian Press. The fact that no clear announcement had been made and that the government, for some reason, decided to make the change on a Friday, which they knew was slowest possible news day on which it would get the least possible coverage, certainly indicates that there are many questions here which remain to be answered and that the government has not discharged its responsibilities to Parliament and the Canadian people in terms of giving us the reasons for this very important change.

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am pleased to indicate to the Leader of the Opposition (Mr. Clark) and to the previous speaker that contrary to what they have said, the hon. member for Edmonton West (Mr. Lambert) and, in fact, the public at large were very much aware of the fact that responsibility for Statistics Canada had been entrusted to me by the Prime Minister and that yesterday afternoon, I advised Madam Speaker as well as the chairman of the Standing Committee on Miscellaneous Estimates that since I had been notified only on Monday that these new responsibilities were entrusted to me, I could not appear before the committee.

Of course, the Leader of the Opposition knows full well that during any oral questions period, he could—in fact, he could have taken the opportunity today since this change has been publicly announced today and I had in fact talked about it yesterday with the chairman of the Standing Committee on Miscellaneous Estimates—he could seize the first opportunity during oral question period to address himself directly to the Prime Minister who is responsible for public administration and for delineating ministerial responsibilities. He did not take this opportunity, rather he elected to raise this through a question of privilege without any basis to do so, at a time when the Prime Minister was gone, when the President of the Treasury Board (Mr. Johnston) was gone, in order to try to make a bit of a show off—

Mr. Ouellet: Petty politics!

Mr. Blais: —and petty politics, as the hon. minister puts it, without any legitimate ground.

[*English*]

From my standpoint, Madam Speaker, I might indicate to you that I am most pleased that the Prime Minister has asked me to take on this responsibility. It is only fitting that Statistics Canada, which is an administrative agency, should fit within an administrative department. It is a service organization, and those services for which I am responsible to the House are basically service agencies and administrative departments. I look forward to replying to questions from the opposition and from members on this side of the House relating to the discharge of my responsibilities with reference to Statistics Canada, and also to show up the excellence of that agency and to advise the House of the measures that will be undertaken within Statistics Canada to continue to make it one of the best statistical institutions, not only in Canada but indeed in the international arena.

Some hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I did not intend to speak on the point of order raised by the right hon. Leader of the Official Opposition (Mr. Clark), but I must try to clear the air, having heard the Minister of Supply and Services (Mr. Blais) imply that somehow it was our obligation to announce this change to the public of Canada. Surely it is up to the government to disclose in the appropriate way—which would have been a statement on motions yesterday—that a change has been made in ministerial responsibility for Statistics Canada, and not wait for a question to come from the opposition.

Let me put this into perspective. One feels that this is not accidental. The fact is that for the last four months, notwithstanding that three reports have been commissioned, as you will recall, by the Clark government and have now been brought down, indicating that some serious things have to be done with respect to Statistics Canada, we have been told by the former minister responsible for Statistics Canada, the President of the Treasury Board (Mr. Johnston), that he has the matter under review. Now we are being told, literally on the day on which the Standing Committee on Miscellaneous Estimates was to have the first opportunity to question the minister on the progress he has made with respect to the three reports, that the responsibility for Statistics Canada has been moved to another minister. We hear that the Minister of

Supply and Services has used his power as the new minister to squelch the meeting by simply intervening with the chairman of the committee and saying to him, "I do not want to appear before your committee."

Consider the position in which that is putting all members of the House, including members of the minister's own governing party. In effect, we have been relegated to an inconsequential role. We were not given an opportunity to put questions to the minister with respect to Statistics Canada in committee. Apparently the minister had said that he thought it would be a month before he would be ready to come before the committe. In all likelihood this House might not even be sitting a month from now. My point is that some very serious questions are coming up with regard to Statistics Canada.

I have referred to the reports. As we know, a census will be taken in 1981, before which 33,000 census representatives, 1,800 enumerators and 1,900 commissioners will be appointed. This is something on which there has been considerable discussion. The tradition of the Liberal party has been to follow strictly a governing party approach in appointing those people. We have criticized this in the past and we believe that this is an antiquated system. We are much more in favour of having a completely open system where community organizations and manpower offices can be asked to supply names, as well as all members of Parliament, instead of treating this just as a convenient pork barrel or patronage type of appointment system.

That is why I say that I believe the right hon. Leader of the Opposition has an extremely vital point of order at stake here. We were denied the privilege of knowing in the usual way when the role of a minister has been changed, and I think the House deserves an explanation.

• (1520)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am pleased to participate in the discussion on the point of order raised by the Leader of the Official Opposition (Mr. Clark) who seems to find mystery in the fact that the right hon. Prime Minister (Mr. Trudeau) decided to transfer the responsibility for Statistics Canada from one minister to another. There is absolutely nothing mysterious in that and I believe the Leader of the Official Opposition and the former president of the treasury board (Mr. Stevens) will have every opportunity to put appropriate questions both to the Prime Minister here in the House because there will be other question periods and in committee to the new minister responsible.

I heard the former president of the treasury board say this is unfortunate but he thinks the minister will not be able to go before the committee before a month and in a month we will probably not be here. I cannot confirm whether or not we will be here in a month but what I want to confirm however is that under an agreement made with his own parliamentary leader, the estimates are before the committees until December 10, and the House will be sitting well before December 10. The minister will have every opportunity to answer all the questions of the former president of the treasury board and dissipate the sort of mystery that seems to be blinding the former prime minister.

So there is absolutely nothing irregular in the decision of the Prime Minister. The hon. member for Laurier (Mr. Berger) earlier put a question to the President of the Treasury Board (Mr. Johnston). The President of the Treasury Board told him it was the Prime Minister who had made that decision, and the question period had expired. An hon. member on the other side tried to get the floor but it was past three o'clock and instead of putting a supplementary question, he came back on the point of order raised by the Leader of the Official Opposition to make his point.

All that makes an interesting discussion, of course, Madam Speaker. It is a point of clarification. We know the House will have other question periods. The Prime Minister will probably be here tomorrow, and the Leader of the Official Opposition will probably also be able to put the question to him. There is nothing mysterious in that. The Prime Minister will give an answer and the former president of the treasury board will have every opportunity to question fully the minister now responsible for Statistics Canada before the committee as the estimates will be there at least at the latest until December 10. Once again, Madam Speaker, I find this question of privilege is being somewhat abused. There is absolutely nothing mysterious, everything is in order, and the facts can be put again before the House either during question period tomorrow or in committee later on.

Madam Speaker: I think the House appreciates the point of order raised by the right hon. Leader of the Opposition (Mr. Clark) but I have to point out right at the outset that I cannot rule on anything that happened during a sitting of a committee. If hon. members have grievances to express concerning proceedings in a committee, the matter has to be debated by that committee and not in the House.

However, a part of the speech of the right hon. Leader of the Opposition is based on the proceedings during the oral question period and having listened to what he had to say, I must say that his grievance seems to me to be quite legitimate, but I must remind him that the whole question of allocating responsibilities within the cabinet is incumbent upon the right hon. Prime Minister (Mr. Trudeau) himself and that the Chair cannot in any way interfere in order to make one minister or another answer given questions. Again I wish to assure all hon. members that when in doubt they can always ask the question directly to the Prime Minister who will answer it himself or tell the House which minister is responsible and should answer in his place.

I think it is now clear to all hon. members that the Minister of Supply and Services (Mr. Blais) is the one to whom all

questions relating to Statistics Canada should be directed. They can therefore ask any question they wish in the future and I can imagine they will not miss any occasion to do so.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I rise on a point of order with respect to House business. Since there seems to be some misunderstanding, I wonder if the government House leader might confirm that, after dealing with the motion now before us, we will be proceeding with Bill C-15, the livestock feed assistance bill, and then with Bill C-20, the bill on the FBDB. Is that correct?

Mr. Pinard: Madam Speaker, that would be correct if we terminate debate on the order in council before ten o'clock tonight. If we finish debate on the order in council today, tomorrow we will consider Bill C-3, an act to amend the Unemployment Insurance Act of 1971. If we finish consideration of the order in council before ten o'clock tonight, rather than going to Bill C-3 for the remainder of the time, we will consider third reading stages of Bill C-20, and Bill C-15.

Mr. Nielsen: In the reverse order or in the order expressed by the government House leader? Which is first?

Mr. Pinard: If we are to get the two bills, it does not matter, but if we are not to get the two bills, we would prefer to consider Bill C-20 first.

Madam Speaker: The hon. member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Madam Speaker, I think my question of privilege can wait until tomorrow. I will try to raise it then.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

REQUEST THAT PROPOSED SALE OF CANADIAN GENERAL ELECTRIC LIMITED PLANT IN PETERBOROUGH, ONT., BE BLOCKED BY FIRA

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid on the Table the eleventh report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Peterborough (Mr. Domm) and finds that it meets the requirements of the standing orders as to form.

Order Paper Questions

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM ARGENTEUIL TO ARGENTEUIL-PAPINEAU

Mr. Robert Gourd (Argenteuil) moved for leave to introduce Bill C-601, to change the name of the electoral district of Argenteuil.

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

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM VERDUN TO VERDUN-SAINT-PAUL

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works) moved for leave to introduce Bill C-602, to change the name of the electoral district of Verdun.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 60, 112, 364, 567, 632, 693, 715, 717, 718, 746, 802, 815, 846 and 879.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

VIETNAMESE REFUGEES

Question No. 60—**Mr. Cossitt:**

What was the total amount of public money spent to date in bringing into and settling in Canada Vietnamese refugees and what is the estimated cost figure for the entire project?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): The preliminary figures to date on the bringing in and settling of Vietnamese refugees in Canada are as follows:

1979-80	$57,775,000.
1980-81	$63,666,000.

It is estimated that the total cost for the entire project will be some $122,000,000. This includes staging areas, resettlement, language training, transportation and other costs.

UIC—BENEFIT CONTROL OFFICERS

Question No. 112—**Mr. Cossitt:**

1. How many benefit control officers are there in the province of Ontario dealing with unemployment insurance?

2. Is there a requirement that they must (a) do 35 investigations per month (b) launch at least one prosecution per month and, if not, what is the requirement in each case?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. There are currently 151 investigation and control officers in the province of Ontario.

2. There is no requirement that the commission's investigation and control officers must complete a specific number of investigations or launch a specific number of prosecutions. As part of the normal budgetary and resource planning and allocation process, the commission's field offices are, of course, required to make estimates of work volumes and to translate these volumes in terms of financial and personnel resource requirements. This is a normal budgetary exercise that is essential to the responsible management of scarce resources. It is quite possible that these budgetary estimates are at times misinterpreted. However, the commission has said before, and reiterates now, that there are no investigation or prosecution quotas or requirements in Ontario or elsewhere in Canada.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—SXs

Question No. 364—**Mr. Herbert:**

1. As of March 31, 1979, (a) how many persons in the SX classification were employed by the Department of Energy, Mines and Resources (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SX's employed?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. (a) As of March 31, 1979—38;

(b) (i) 4

(ii) none.

2. (a) As of May 5, 1980—39;

(b) (i) 4

(ii) none.

3. Since March 31, 1979, there has been a reorganization within the energy policy sector of EM&R. However, the reorganization has had no effect on the number of SXs employed in the department.

POLISH DIPLOMATS AND STAFF

Question No. 567—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from Poland?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the Polish diplomatic service who are either non-Canadians or Polish Nationals?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

Accredited Diplomats—Polish People's Republic

Name	Title	Date of Arrival
Stanislaw Pawlak	Ambassador	October 27, 1978
Waclaw Tomkowski	Minister-Counsellor	October 8, 1976
Henryk Kozlowski	Military, Naval and Air Attaché	December 11, 1979
Kazimierz Glowacki	Assistant Military, Naval and Air Attaché	June 5, 1979
Andrzej Kolczynski	Second Secretary	December 14, 1979
Stanislaw Gozdek	Second Secretary	July 7, 1978
Tomasz Przygoda	Third Secretary	July 27, 1979
Gerard Knap	Attaché	September 4, 1979
Tadeusz Janicki	Consul General	June 11, 1977
Eugeniusz Panek	Consul	August 20, 1976
Marian Wojcik	Consul	September 10, 1977
Wieslaw Matysiak	Consul	July 2, 1977
Waclaw Rytel	Vice-Consul	October 1, 1977
Blazej Kieruzalski	Vice-Consul	August 21, 1978
Michal Pietrowski	Consul and Trade Commissioner	May 19, 1976
Wlodzimierz Jaskiewicz	Vice-Consul	July 13, 1979
Jan Marianski	Consul General	February 11, 1977
Henryk Trojanowski	Consul	April 23, 1977
Krzysztof Smolenski	Vice-Consul	March 18, 1977
Krzysztof Szwarc	Consul and Trade Commissioner	June 29, 1979
Stanislaw Ladyka	Consul (Economic Affairs)	December 30, 1977
Wojciech Polaczek	Consul	September 19, 1977
Zdislaw Kwapisz	Vice-Consul and Asst. Trade Commissioner	September 17, 1976
Janusz Filemonowicz	Vice-Consul and Asst. Trade Commissioner	September 17, 1976

Members of the Staff—Polish Nationals

Mieczyslaw Antecki	June 11, 1977
Arkadiusz Rybak	October 21, 1978
Stanislaw Leszczynski	August 10, 1979
Jerzy Sarnecki	August 18, 1978
Bozena Wozniak	October 27, 1978
Tomasz Prengler	December 1, 1978
Danuta Piotrowska	July 27, 1979
Roman Brodowski	July 30, 1979
Stanislaw Figurski	January 11, 1976

DEPARTMENT OF ENERGY, MINES AND RESOURCES—PUBLICITY

Question No. 632—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Energy, Mines and Resources?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

Information EMR Branch—4;

Energy Communications—18.

DEPARTMENT OF TRANSPORT—SERVICES CONTRACTS

Question No. 693—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Transport for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

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

1. 35.

2. (a) 31;

(b) 3;

(c) 1.

3. 13.

4. $181,027.

THEFT OF TELLUROMETER

Question No. 715—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of Public Works in footnote number 11 at page 12.62, Volume I of the 1978-79 Public Accounts of Canada (a) what is a tellurometer and how is it used by the department (b) was the thief apprehended (c) what was the result of the investigatory steps undertaken by the department (d) in what location did the loss occur?

2. Did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

Hon. Paul J. Cosgrove (Minister of Public Works):

1. (a) A tellurometer is a device that measures distance by means of microwaves for land survey work.

(b) No.

(c) RCMP and Campbellton police investigated and were unable to determine who stole the property.

(d) Campbellton, N.B.

2. Regional directives regarding security of government property have been amended to include instructions for care and safe custody of equipment.

DEPARTMENT OF AGRICULTURE—PUBLIC ACCOUNTS

Question No. 717—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 due to damages of contents recorded by the Department of Agriculture at page 12.62, Volume I of the 1978-79 Public Accounts of Canada, for what reason was the loss of $20,000 unexplained?

2. What is the explanation for the loss?

3. On what dates and in what locations did the losses take place?

4. Did the department undertake procedural or structural changes to ensure that such losses do not recur and, if so, what were they?

Hon. E. F. Whelan (Minister of Agriculture): 1. The location, identification of buildings and estimated cost of damage sustained is all that is required to be reported for the Public Accounts of Canada. All fire losses are reported in detail to the Dominion Fire Commissioner.

2. A fire of unknown origin destroyed a hay barn containing 325 tons of hay.

3. November 6, 1978, at the Animal Research Institute, Greenbelt Farm, Nepean, Ontario.

4. An investigation by the Regional Fire Commissioner's office could find no cause for the fire and deemed it accidental from an unknown origin. The facility will be rebuilt by Public Works Canada in accordance with current National Fire and Building Codes of Canada.

Question No. 718—**Mr. Clarke:**

1. With reference to the losses of more than $1,000 due to damages to buildings recorded by the Department of Agriculture at page 12.62, Volume I of the 1978-79 Public Accounts of Canada, for what reason was the loss of $54,934 unexplained?

2. What is the explanation for the loss?

3. On what dates and in what locations did the losses take place?

4. Did the department undertake procedural or structural changes to ensure that such losses do not recur and, if so, what were they?

Hon. E. F. Whelan (Minister of Agriculture): 1. The location, identification of buildings and estimated cost of damage sustained is all that is required to be reported for the Public Accounts of Canada. All fire losses are reported in detail to the Dominion Fire Commissioner.

2. A fire of unknown origin destroyed a hay barn.

3. November 6, 1978, at the Animal Research Institute, Greenbelt Farm, Nepean, Ontario.

4. An investigation by the Regional Fire Commissioner's office could find no cause for the fire and deemed it accidental from an unknown origin. The facility will be rebuilt by Public Works Canada in accordance with current National Fire and Building Codes of Canada.

MINISTRY OF STATE FOR ECONOMIC DEVELOPMENT

Question No. 746—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Ministry of State for Economic Development and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Ministry of State for Economic Development:

(a) 4 —	R. Woodbridge	$15,415
	M. Fraser	225
	P. Bridges-Palmer	14,464
	T. Young	488
(b) 3 —	V. Chapin	20,127
	Nicholson Policy and Management Consultants	8,500
	Nepean Development Consultants	13,800

Northern Pipeline Agency:

(a) 29—See list below.

(b) None.

Order Paper Questions

Northern Pipeline Agency

Contractor	Amount
Blais, Ms. J. Journalized from P.C.O., Secretary, Yukon Office	$ 380.63
Bonnar, Mr. R. Administrative Adviser	22,975.00
Curley, Ms. S. Parliamentary Affairs Co-ordinator	6,778.00
Chamberlin, Dr. J. E. Adviser—Socio-Economic Affairs	37,350.00
Donnelly, Mrs. E. Administrative Assistant	500.00
Emerson, Mrs. L. Secretary	400.00
Fontana, Mr. E. Manager, Administration	4,050.00
Gilhooly, Mr. C. F. Administrative Adviser	33,400.00
Goodman, Mr. R. Industrial Benefits	3,733.87
Gowin, Ms. J. Secretary—Conferences	103.75
Johnston, Ms. M. Secretary—Yukon Advisory Council	3,065.00
Hickling-Smith Ltd. Integrated Personnel System Consultants	51,600.00
Kanygin, Mr. B. Co-ordinator, Hearings	7,500.00
Kerwin, G. Field Co-ordinator, North B.C.	2,520.00
Lafrance, Mr. N. Personnel Policy Adviser	3,870.00
Lawrence, Mr. R. Info Assistant, Yukon Hearings	3,920.00
Lines, Ms. A. Journalized from P.C.O., Secretary, Yukon Office	3,442.47
Macdonald, Mr. B. E. Public Relations Adviser	73,458.00
Mair, Mr. W. W. Chairman, Public Hearings, North B.C.	13,796.50
McCarthy, Mr. J. Co-ordination & Information System Consultants	25,000.00
Morris, Ms. R. Secretary, Yukon Office	959.00
Osmond, Ms. D. Secretary, Yukon Office	195.00
Ovens, Mr. J.—shares costs with principal contractor, CEIC Manpower Delivery	44,275.90
Reid, Mr. T. Financial Policy Adviser	1,500.00
Schneider, Ms. S. Secretary, Yukon Office	80.00
Shadow, M. Translator	50.00
Stead, Mr. R.A. Recruiting Assistant	1,375.00
Vaillancourt, Mr. M. Translator	336.00
Washington, Mr. R. Translator	50.00

CANADIAN CONSUMERS' ASSOCIATION GRANT

Question No. 802—**Mr. de Jong:**

Does the Department of Consumer and Corporate Affairs plan to continue to grant funds to the Canadian Consumers' Association and, if so, will the grant be increased next year?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Yes. At this time, however, the allocation of the department's contribution funds for 1980-81 has not yet been finalized.

MARIJUANA STUDIES

Question No. 815—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of National Defence?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): $74,990.

HAZARDOUS PRODUCTS

Question No. 846—**Mr. Howie:**

Since January 1, 1978, did the Department of Consumer and Corporate Affairs ban or recommend against the use of (a) children's toys (b) consumer appliances?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): (a) Yes. Actions during 1978 included removal from the market of four styles of plush toys containing excessive amounts of lead in paints used for decorative lettering. For the 1979-80 fiscal year, enforcement activity with respect to toys was as follows: inspections—1,479; products examined—8,332; recall actions—65 (involving 90,150 product units); removal/disposal actions—248 (involving 101,790 product units).

(b) No. Household appliances, both electrically-operated and gas-fueled, are subject to provincial laws requiring compliance with safety standards of the Canadian Standards Association and the Canadian Gas Association. To avoid duplication of effort, the department has not intervened in this provincially-regulated area of product safety. The department does, however, maintain close contact with the responsible provincial authorities and provides some input to the safety standards development process.

CANADA-EEC CHEESE ARRANGEMENTS

Question No. 879—**Mr. Cossitt:**

Is the government bound by the present total of approximately 45 million pounds of mostly specialty cheeses imported into Canada as a result of GATT negotiations and, if so, will it take steps to reduce this quota as soon as negotiations can be carried out in order to assist Canadian dairy farmers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: the actual level of the global cheese quota was set at 45 million pounds as part of the over-all dairy program for the current dairy year and thus independently of

the Canada-EEC arrangement on cheese. Within the context of the MTN, Canada negotiated an arrangement with the EEC which provides improved access to the EEC market for up to 6 million pounds of Canadian cheddar, as well as an undertaking on the community's part not to undercut Canadian prices through its export subsidy scheme. It is in return for this concession that Canada undertook to maintain the global quota at 45 million pounds until 1982 and to allocate the EEC 60 per cent of this level.

The size of the cheese quota will be subject to review in the near future as part of the next dairy program at which point the government will need to be mindful of our arrangement with the European Community.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ADMINISTRATION

ORDER IN COUNCIL RESPECTING ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

The House resumed from Monday, June 16, consideration of the motion of Mr. Pinard (for Mr. Trudeau):

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander-in-Chief of Canada:

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

● (1530)

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, before I take up where I left off when I called it ten o'clock last night, I should like to draw to the attention of the House that we are debating a motion establishing the Ministry of State for Social Development, a very important ministry which has a great role to play if properly put together. I must say I am disappointed as I look across the floor to see that the Minister of Justice and Minister of State for Social Development (Mr. Chrétien), who is going to be the minister responsible for this ministry, is not in his seat, that the Minister of National Health and Welfare (Miss Bégin), whose department will be affected drastically by this ministry is not in her seat, that the Minister of Employment and Immigration (Mr. Axworthy) is not in his seat, nor is the Minister of State for

Science and Technology and Minister of the Environment (Mr. Roberts). All these ministries will be affected by this ministry, yet not one of those ministers is in the House to hear this brief debate.

There is a time limit on the debate; Liberals call the business of the House, but they do not have the courtesy of being here to hear the debate. I find that shameful. I am disappointed and I am disgusted. It is the same old gang over there which does not give a hoot about what goes on in this House. I am just shocked and saddened at this type of display this afternoon.

Mr. Knowles: There is only one minister over there.

Mr. McDermid: They are probably afraid they might learn something.

When I left off last night I was discussing a number of areas of concern. I finished off the evening by pointing out that Liberals were fostering a practice of discrimination right here in the House of Commons because they allow all House of Commons personnel to take French or English language training, yet the assistants to members of Parliament are not afforded that privilege. I think that is a shame. I was wondering how a party which has not been able to implement its own policies in the past will do so in the future. I ask the minister—and I trust someone over there will pass it on to him—if he is going to have any more success at fostering or developing Canadian culture. Culture was defined by the commission on bilingualism and biculturalism as a "way of living, thinking, feeling. It is a driving force animating a significant group of individuals united by a common tongue and sharing the same customs, habits, and experiences".

The term "multiculturalism" under Liberal implementation has become a cliché, a slogan. I do not want to be misunderstood in this regard. Multiculturalism is Canada and Canada is multiculturalism. The diversity of all of us cannot be denied. We cherish our differences. The acceptance of difference is the mark of civilized man. However, our differences, if stressed to the point where groups no longer see any similarities with each other, in themselves foster bigotry, disunity and isolation.

There are many different views of multiculturalism. Unfortunately, the most widely articulated and of great concern is that ethnic groups, as stated by Rosemary Brown to the second conference on multiculturalism, retain their identities because they are alienated, isolated, oppressed, ostracized, categorized and manipulated as a result of their particular background. The program has done very little in the area of social development, and that is what we are discussing today.

Of a budget of $10 million, only $633,000 was directed to immigrant aid last year. Whether we like it or not, the kindest, most humane thing we as older Canadians can do for new immigrants, new Canadians, is to help them integrate into the Canadian way of life. I am not saying assimilate; we do not have to give up our background or deny our identity, but for our own survival a certain amount of integration, whether through language instruction in either French or English,

historical, political or economic instruction, is necessary for active participation in the Canadian social system.

Present policies are not doing enough to help the average person out there in a new land. Dispensing funds to song and dance groups, writers, academics, etc., is a very commendable thing, but is it helping the person out there looking for a job who cannot speak the language and does not know what assistance is available to him? I do not question the importance of cultural and artistic endeavours of ethnic groups being encouraged and funded, not at all. I do question, however, the priorities. There is a certain amount of nostalgic feeling being fostered by multiculturalism. It has become, as in all things Liberal, an elitist idea feeding on the emotions and insecurities of Mr. Average, under the guise of helping him to retain his ethnicity.

We are all Canadians, whether of Lithuanian, German, Portuguese, Russian, Welsh, Chinese, East Indian, Scottish or, as the hon. member for Edmonton East (Mr. Paproski) reminds me, Ukrainian or any other background. Our concern should be directed at equal opportunities being available and known to each and every one of us, regardless of our background, not at whether our child can still be taught to do a highland dance or a polka, but can our child be taught to feel that he or she belongs in university, in the House of Commons or in any other profession and still feel comfortable if he or she wants to do a polka? Multiculturalism has been relatively successful in the cultural areas, but has it removed the idea of tokenism? I do not think so.

The third force, people with ethnic backgrounds other than French or English, as referred to by the right hon. Prime Minister (Mr. Trudeau), are sadly represented here in the House of Commons.

The principle behind the multiculturalism program is a good one. Liberal implementation has left a lot to be desired, even in the minds of those affected. It has not made sufficient progress in overcoming the inequalities, or ultimately in establishing a true Canadian identity within a culturally diverse nation.

The principle behind this proposed social development ministry is good, but will the implementation get bogged down by bureaucratic mismanagement? Will this new social development ministry have final decision-making powers and become a super ministry over all the areas I have mentioned both today and last night? Will it aid all Canadians, all of us, who must of necessity undergo attitudinal changes in the 1980s in order to survive as a united and free nation, and if we are to economically and socially prosper? We cannot have a healthy social climate without a healthy economy. We cannot have a healthy economy without some drastic realignment of priorities by this government.

Will the minister, if he ever shows up in the House, see fit to answer the questions we have and give this country an idea of just what this ministry is going to do for Canadians?

We on this side of the House support the principle of social development and only hope that the Liberals are not setting up another smoke screen, a gimmick, to dupe Canadians into thinking the government are doing something about much needed social reform. I hope they are sincere in wanting this ministry to activate social reform and that they are not just establishing another propaganda machine.

We approve this motion but expect action from the department, and we put them on notice that we will be monitoring its performance. We on this side will not put up with just another bureaucracy. We want a functioning and relative department. That is their challenge, Mr. Speaker, and I hope they can live up to it.

• (1540)

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I would like to begin my few remarks on the setting up of a new social development ministry by asking a question: Is this trip really necessary? My distinguished colleague, the hon. member for Rosedale (Mr. Crombie), in his magnificently nostalgic speech about the 1960s yesterday, was fond of quoting the great old song titles, and the one which keeps running through my mind at the moment is "That Old Feeling". Because I cannot help getting that old feeling that once again the Liberals are coming along to give us a social cure when for the past 20 years at least they have been the social disease.

When I question the need for this new ministry of social development, I am asking the question in an historical perspective, after watching the succession of Liberal governments operate as they have during their many years in office. It is true that the short-lived Clark government was actively working on setting up a ministry of social development, so it is not my intention to shoot down the idea in principle, now that we are in opposition. It is a good idea in principle.

But where the principle may be the same, the practice and the implementation of this new social ministry, I suspect, will be vastly different from the plan proposed by the previous Conservative administration. We on this side were setting up such a ministry as part of the total long-range thinking that the Conservative administration had embarked upon, in the same way we had launched a five-year program in the economic sphere. We felt it was important to look at the Canada of the next decade, as my hon. friend for Rosedale did so well yesterday afternoon, and up to the year 2000 in terms of how the federal government's social policy can best benefit all Canadians.

Part of our long-term planning included select special committees of this Parliament, including the study of volunteerism in society and a special study on the disabled and handicapped citizens of Canada, a subject which is so dear to the heart of the hon. member for Brandon-Souris (Mr. Dinsdale). Those select committees were hampered at every turn by the then Liberal opposition and they never did become really operational.

Now, all of a sudden, the Liberal government finds it expedient to have a super ministry of social development. Whereas we on the Conservative side were planners always considering the long-term benefits to Canadians as opposed to the short-term appeal to the country's headline writers, the

Liberals are resorting to ad hoc political expediency and, I fear, may end up paying lip service to, and watering down the whole idea of, a super ministry on social development in terms of what its mandate should be.

I fully support the program description as it is outlined in the blue book estimates of 1980-81 in section 27, page 4. This section, under the heading "Policy Formulation, Program Review and Assessment", says that the new ministry shall:

> Develop approaches to improve and integrate the delivery of social benefits to Canadians and lead and co-ordinate the efforts of the Government of Canada to foster co-operative arrangements with the provinces and with public and private organizations to facilitate the development of the individual, the family and the community.

I could not agree more with the principles expressed in that intention and that mandate.

An hon. Member: It sounds good.

Mr. Scott (Hamilton-Wentworth): Yes, it sounds very good, but let us see what happens to it. I also feel strongly that part of this ministry's mandate is to get rid of the bureaucracy that is involved in some of the social portfolios and get rid of the duplication of services as between federal governments and provincial governments. In this sense, I believe that this ministry must really have a constitutional consciousness.

This was the thoughtful way in which we were approaching the setting up of a super ministry of this sort. We were always working for gross in our economic and social programs as expressed in the gross national product, but I am afraid, based on past experience, that the Liberals will regard this ministry as gross, as in the size of the bureaucracy.

When we refer to the bureaucracy, it is most often in a negative sense. I do not think that should be the case. I know well from my reporting years around here and as a member of government that one can feel the capacity for work in the civil service. There is a very real conscientious care for Canada on the part of bureaucrats who can be, and in many cases are, the nicest, most mild-mannered people in the world. They are not vicious, ill-tempered types out to rob the taxpayers blind; they are following the rules.

But these hard working, well meaning civil servants get caught in the vastness of the machine. As soon as a new ministry is hatched—and one sometimes must wonder about the kind of boondoggling and patronage that follows the birth of new department—automatically the talk is about a budget of $8 million to $10 million in today's terms. Human nature being what it is, especially in the public service, any new department must have some status. That is measured in human relation terms by the size of the budget and the number of people in the new department, ministry or agency.

A Consumers Association of Canada survey of 900 of its members, which was released just last night, reveals that their greatest fear about inflation is the rise in the federal deficit. So yet another bureaucracy will come as cold comfort to consumers. Knowing how Liberal governments work, I am very concerned that this new ministry signals the creation of a vast bureaucracy and will grow like crab grass on the lawn.

Let me give hon. members a personal glimpse at the industry I have been a part of for a quarter of a century to illustrate the suffocating effects of government becoming an increasingly vast, amorphous empire. What has happened to the broadcasting industry is that it has been snowed under and smothered by paperwork and slide-rule regulations. Independent broadcasters or family-owned operations found they were not broadcasters at all. They spent all their time reporting to government, filling out forms and appearing before public hearings. They became fed up trying to satisfy the Canadian Radio-Television and Telecommunications Commission, and all its predecessors, that form XA-B2-4(1), subsection iii, and similar documents which broadcasters are required to fill out every week, was impossible to keep up with. Many individual broadcast operators I know simply sold out to the larger broadcasting chains.

The effect of a bureaucracy trying to justify its existence is to sap individuals, and eventually their communities, of their spirit. For example, a broadcaster's mandate is to stay in touch with his or her community, and the listening audience with the broadcaster. By knowing what his community wants, needs, feels, the broadcaster can do what she or he was trained to do—be creative, come up with experimental ideas, some of which work, many of which do not; but often a good idea leads to being solidly competitive.

It is an illustration of how ideas from the arts and cultural communities can come from the bottom, not be imposed from the top. No government committee or tribunal could have told Skakespeare "Write some great plays, Will Baby!" Broadcasters—including many of the people involved in the technical end—just do not have time to complete the idiotic paperwork and attend public hearings justifying their existence, and at the same time serve their communities by exercising their ingenuity and imagination. So they give up or sell out to those who can afford bookkeepers.

I have a very real fear that the proposed super ministry could result in the same sort of suffocation of individual spirit, initiative and privacy. I worry about the cross-indexing power that a central ministry of this size could have. They will end up with our OHIP numbers, they will have our SIN numbers, they have our OAS numbers, and they will have our driver's licence numbers. I feel that a ministry of this size, improperly used, could mean the end of legitimate privacy.

In view of what this social development ministry is supposed to be doing, it raises a very interesting question as to the relationship of the new minister of social development to the rest of his cabinet colleagues. I dare say, Mr. Speaker, that the hon. member for Saint-Maurice (Mr. Chrétien) stands to become the second most powerful man in the country, exceeded only by the power of the bureaucrats who run this social development ministry.

Let me try to illustrate the amorphous nature of this super-duper ministry in terms of the family. I have been wondering for the past few weeks just who over there on the government front benches is responsible for the family unit. There is where the Minister of Consumer and Corporate Affairs (Mr. Ouel-

let) sits—at least, where he did sit; he is not here now—he who presumably looks out for the consumers' interests. There sat the Minister of Employment and Immigration (Mr. Axworthy). He is not here either. He is responsible for the status of women in this country and most women I know are consumers. There should sit the Minister of Labour (Mr. Regan) who is responsible for fitness and amateur sport affecting the health and well-being of Canada's young people especially. There should sit the Minister of National Health and Welfare (Miss Bégin) protecting the health of Canadians and determining their welfare needs. She is not here either.

● (1550)

There used to sit the Minister of State (Multiculturalism) (Mr. Fleming) to ensure the preservation of Canada's many non-Anglo-Saxon communities and cultures as expressed through their very close sense of family life. There should sit the Secretary of State (Mr. Fox), but he is not here either; he dictates what Canadians should and can watch and hear as families. There should sit the Minister of Agriculture (Mr. Whelan), but he is not here either; he is forever hearing about his industry's concerns about the family farm. There used to sit, but he is not here, the Minister of Finance (Mr. MacEachen) who has thus far refused to make the sale of family farms or capital gains tax burdens any easier on Canadian farmers.

There sits, bless him the Minister of Veterans Affairs (Mr. MacDonald), the one minister who takes his responsibilities seriously and who must be constantly vigilant on behalf of Canadian war veterans and their dependants and the futures that these families face. There should sit, but for some reason he is not here either, the Minister of Indian Affairs and Northern Development (Mr. Munro), who is technically supposed to be looking after the welfare of Canada's native and northern peoples and their social concerns.

I may have missed three or four other portfolios, Mr. Speaker, but the point is that throughout the list of responsibilities of ten different federal ministries the common concern, the element that knits all those portfolios together, is the family unit. Nobody could describe the importance of family to government better than that very honourable lady, the former member for Scarborough Centre, Mrs. Diane Stratas, when she said on November 20, 1979, as reported at page 1517 of *Hansard*:

> As the basic unit of society all government activity all year round should be directed at the perpetuation and protection of the concept of family, not necessarily family in the traditional sense but family as a concept of life wherein family members are encouraged to live fully as responsible members in community with each other. We must be willing to accept and respect all forms of family life, but above all we must recognize family.

Canadians express their self-worth through their families, and the family unit is the most intimate and important focal point in life for many millions of Canadians as individuals. And yet, as we have seen, Mr. Speaker, of all the senior cabinet ministers and junior ministers and ministers of state and parliamentary secretaries and committee chairmen those people have over there, no one in the federal government has been charged with responsibility for the family—the average Canadian family unit—until now, Mr. Speaker.

Given this social development minister's umbrella portfolio, its all-encompassing impact on Canadian society, its bringing together so many family-oriented departments and agencies of government, it seems obvious to me, Mr. Speaker, that this new minister is responsible for the family unit in this country.

Indeed, we should look at the Minister of Justice's (Mr. Chrétien's) own family on that side—his family of portfolios. At least 10 of his cabinet colleagues will be regarding this minister as the government head of the social policy family, and yet how is this minister going to operate for the benefit of the individual Canadian family? How is any Canadian individual and his or her family going to get any new ideas through to this super ministry and their senior bureaucrats?

The family is the consumer, Mr. Speaker, but there is a real difference between the family in the health sense, the family in the welfare sense, and the family in a consumer sense. We need a department of consumer affairs to keep an eye on pricing, advertising or misleading advertising, the cost of living and so on. We need a department of health involving doctors and hospitals and grants to provinces and advice to Canadians on hygiene. We really need a separate department of welfare, in my view, which relates to personal tragedies which are most frequently and most closely tied in with the job opportunities branch of government—that is, the Department of Employment and Immigration whose responsibility it is to get people off the welfare rolls.

If anything, Mr. Speaker, we do not need bigger ministries in this country. We need ministries which are more compact and more in touch with the people and with reality. The bigger a ministry gets, in my view, the less it can be in contact with the people and the realities of every day Canadian life.

It was the former leader of the party and a most distinguished parliamentarian, the Hon. Robert Stanfield, who said in Victoria in a speech about six months ago that government has got to get back to the people. I wonder if the Minister of Justice can assure us that this new social development ministry will be getting back to the people, or will this become a sprawling and appalling thing to the taxpayers of Canada? Does the public have the remotest chance of getting through to this new bureaucracy, let alone having any impact on it? That, Mr. Speaker, is what is almost frightening to me about the way this Liberal administration could deal with the scope and the magnitude of this all-embracing social ministry. What input can the average Canadian have in terms of his own individual social development in the next decade or two, and how can the individual Canadian feel any sense of security about what the government is setting up?

My role as the consumer affairs critic for this party makes me think automatically in terms of how government impacts on the little guy, Mr. Speaker. Speaking of little guys, we have no finer example on this side of the House than the hon. member for Rosedale, who I might point out was very big with the health ministry when he was head of that department. He was the first minister they could ever see through a micro-

scope. But see him they could. My colleague from Rosedale was, as minister, and is now as a fellow member of Parliament, as unremote and as accessible, as concerned and feeling a public figure as anyone I have ever known while watching this House of Commons. The Minister of Justice, the new minister of state for social development, could well learn from my hon. friend from Rosedale the way to communicate ideas to people. I know from personal experience that the hon. member for Saint-Maurice is no slouch at personal rapport with his colleagues and with other public officials at home and abroad. My point is that the minister and his new department must learn to communicate with the average Canadian on the all-encompassing impact of his portfolio on the Canadian people.

I am sure, Mr. Speaker, that all members of this House would quite happily agree to promote the aims and objectives, both short term and long term, of the "people" side of this new ministry. We could, for example, devote some space in our householder mailings to all of our constituents, to let them know the importance of this legislation we are now debating in terms of how it will benefit the individual Canadian consumer and family unit. I know I for one will be awaiting with interest some specifics which I can announce to the people of Hamilton-Wentworth, and to reassure them that this is not simply another level of bureaucracy, another giant super department, another eight to ten million expenditure for openers, another duplication of already established government services. I want to be able to assure the 75,000 people I represent that this exercise of setting up a Ministry of State for Social Development will encourage people to get involved in their communities, will encourage volunteerism, will encourage initiative in the private sector, and will make individual Canadians feel that we are not just OHIP numbers or SIN numbers or statistics of one kind or another. People are sick and tired of that kind of mass anonymity. We are people, Mr. Speaker, we are individuals, and we want an opportunity to express ourselves about the future course of social policy of this government.

So, Mr. Speaker, we will do what we can to educate the consumer, to give Canadians a sense of confidence about this legislation, provided that we on this side are absolutely convinced that, as I said at the outset of my remarks, this trip is really necessary.

I would ask the minister: how will he measure his success as head of this new super ministry? How will he define that success this time next year? How will he look at it five years from now? Obviously the minister must have some idea of his objectives and goals or he would not have taken on this portfolio. Obviously he has discussed this social development ministry in cabinet with his colleagues, like the Minister of National Health and Welfare or the Minister of Employment and Immigration, since they will be coming to the new minister for their funds for the most advantageous use in any given year. I think it is incumbent on the government in general and on this minister of social development in particular to tell the House what gauges, what criteria, he will be using to assess his performance in his new ministry.

I note the minister's own statement raises a couple of questions which it would be worthwhile having him answer. In his statement he said:

> Since the ministers work within a predetermined expenditure ceiling, new high priority proposals can be financed only by cutbacks in lower priority programs elsewhere within the social sector.

What are those low priority proposals which may be cut, Mr. Speaker? The minister says that he will announce this "conscious ranking of social priorities". I should like to know when he will announce that ranking of social priorities. How will this new minister improve upon the cost effectiveness of the current programs of these social departments and agencies which now exist?

As the hon. member for Brampton-Georgetown (Mr. McDermid) said, we on this side will surely be assessing his performance in the light of what has been said here yesterday and today. It does not usually take long for the media to judge the effectiveness of a new department, and if the minister is really doing his job well, we will also note the consequent ineffectiveness of other socially oriented departments that he is embracing. As a result, in about a year from now our constituents will clearly draw their own conclusions as to the wisdom of setting up yet another ministry with its attendant bureaucracy.

● (1600)

Bigger government is not always better government, Mr. Speaker. But I have confidence in the hon. member for Saint-Maurice, the Minister of Justice. I hope that his new super department will be a rare exception to the rule that bigger is not always better. I want to wish the minister luck in finding enough time to contribute, to give proper input and to set down guidelines for the development of this ministry along with his responsibilities for federal-provincial relations, as Minister of Justice and Attorney General of Canada. In principle, the new ministry of social development is go for those of us on this side, but how that principle will be implemented is something we will be watching very closely indeed.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in introducing the resolution which we are now debating to provide for the establishment of a Ministry of State for Social Development, the minister gave as one of the main reasons the following, and I quote:

> —to assist the government in integrating current social programs and developing more equitable social policies for the future.

Members of our party would agree completely that developing more equitable social policies and integrating present programs is a very laudable ambition. After the minister said that, the rest of his speech was devoted to demonstrating why the government really has no intention in the foreseeable future of developing any new programs. Indeed, what the minister was saying when he introduced this resolution was that the real purpose of the ministry was to control expendi-

tures for social programs and to see that we do not have any new programs unless the government can eliminate some that we now have.

On the one hand, the minister seemed to be indicating that we had made great progress in the 1960s and 1970s. He listed medicare, the Canada and Quebec Pension Plans, the guaranteed income supplement and the Canada Assistance Plan as important steps, which they were in improving the lifestyle of many Canadians. Then he went on to indicate that the purpose of this ministry would be to see that ceilings be placed on expenditures. The minister said at page 2133 of *Hansard* the following:

—that new high priority programs should be financed largely out of the proceeds from the elimination of other expenditures—

The only expansion which the minister could foresee in the coming year was this:

—our social policy envelope for 1980-81 will be increased by an amount sufficient to pay for our increased guaranteed income supplement—

That was a strange objective from a minister who had said a moment or two before the following:

The distribution of income in Canada is largely unchanged despite all the social policy changes of the 1960s and 1970s. Crime and poverty have not disappeared. Today, Canada has more poor children than ten years ago and the problems of many pensioners are still with us. The majority of Canadians still have no pension coverage other than that financed through the public sector.

Having said that, Mr. Speaker, and having given a very concise description of the problems which are still faced by millions of Canadians, the minister then went on to say that, despite all that, in effect the government is not going to do anything about them because it does not have the money.

I think we ought to look at some of the problems which are still with us and which the minister alluded to very briefly. For instance, if we look at the distribution of income in Canada and at what has happened over a period of almost 30 years, we see that the families and unattached individuals who make up the bottom one-fifth of the income earners of this country, or the 20 per cent at the bottom, got 4.4 per cent of the gross national product in 1951, while the top fifth, or the top 20 per cent, got 42.8 per cent.

After all these tax programs, all of the income distribution programs, after the implementation of medicare, the Canada Pension Plan and the increase in the old age pension and unemployment insurance—all the programs which governments, federal and provincial, have inaugurated since 1951—what do we see? In 1978 the percentage of the gross national product which the bottom one-fifth of Canadians got had not risen. In fact, it had dropped from the 4.4 per cent in 1951 to 3.9 per cent in 1978 whereas the top fifth of the population received 42.5 per cent of the gross national product. How the minister can let the House and the people of Canada believe that we have solved most of the problems and therefore do not have to think about any new expenditures or new redistribution of income to at least move toward more equity in our society, I simply do not know.

Let me give one more illustration of how the income disparities affect people in this country. If we look at the distribution of money among income earners, we find that the young and families whose heads are over 65 years of age dominate the lower quintile; that is, the lowest and second lowest fifth of the population. The biggest gainers of income are those families in the 45 to 65 age group, followed closely by the 24 to 44 age group. The situation of the young and the aged is not improving at all.

The argument in favour of the Ministry of State for Social Development is put forward by the government on the basis of planning and co-ordination of federal spending on social programs. The minister indicates that he hopes to control the expenditures, that he wants high priority programs to be financed from other expenditures and he wants to make trade-offs when presenting new proposals; in other words, eliminating some of the programs that we have been operating until now.

The minister wants to control the expenditures. This is an extremely unfortunate argument when one reviews the social and economic problems in this country. As I have indicated, the income distribution has not improved at all in almost 40 years. That being the case, we find it strange that the government wants to proceed with the objective of holding the line on new programs, which would at least move us toward a more equitable system for our people.

When one looks at the distribution of income, it is evident that those families with heads over 65 years of age dominate the lowest quintile of the income earners. Of the bottom one-fifth of the income earners in this country, 33.5 per cent come from families whose head is over 65 years of age. In 1977 a Statistics Canada study of income distribution indicated that 50.3 per cent of those 65 to 69 years of age, and 63 per cent of those 70 and over, were living in poverty.

● (1610)

Given that kind of information, we find it alarming that the minister would indicate that the government has decided that this country cannot do better for the people who are in need. We find that two-thirds of the unmarried women 65 and over, that is, 400,000 women, were living in poverty in 1975. This is the government which says it cannot do any more. The situation obviously will get much worse in years to come because of our rapidly aging population.

Let us look at another field over which the minister will have a good deal of influence, the situation with regard to housing. A discussion paper prepared by the Canadian Council for Social Development shows how government housing policies have benefited people in the upper and middle-income groups who are largely the people who own their own homes. It is pointed out that in the spring of 1970 the average net worth of home owners was $23,476, while the average net worth of renters was $3,949. The average net worth of home owners thus exceeded that of renters nearly six times over. By the spring of 1977, this economic advantage for home owners had accelerated considerably. Their average net worth was over $71,000, which exceeded the $8,900 average for renters by a little over eight times.

Yet given this situation, we see the government doing everything it can to get out of social housing, to turn housing over, almost in its entirety, to the private sector, knowing that the private sector has never been interested in it or able to produce houses for people in the lower income brackets who cannot afford to buy their own homes. This is not the occasion on which to go into the matter in detail, but we know now what a disaster the Assisted Home Ownership Plan has been for people in this country. It inveigled them into getting into programs which they were simply unable to continue once the initial period of subsidy was over. So we see thousands of people in the province of Ontario who are giving up their homes and turning them back to the mortgage company.

I want to say something now about another group in this country whose treatment we can regard with nothing but shame. I refer to the native people of this country. I want to put some figures on record because, in my view, the minister was telling us yesterday on behalf of the government that really there was no new money available for the disadvantaged. That is a disaster for a segment of our society which has lived in misery and poverty ever since the white man came here.

In 1976 the infant mortality rate for Canadians as a whole was 16 per 1,000. The infant mortality rate for native people was something over 32 per 1,000. The average live expectancy of the population as a whole was 67; the average life expectancy of native people was 43. In 1971 96 per cent of the homes in Canada had potable water systems. Six years later, in 1977, only 50 per cent of native homes had potable water supplies. In 1971 90 per cent of Canadian homes had sewer systems. Six years later, in 1977, only 45 per cent of native homes had sewer systems. In 1971, 94 per cent of Canadian homes had indoor plumbing. Six years later, in 1977, only 45 per cent of native homes had indoor plumbing. In 1975 12.2 per cent of Canadians were attending universities. Less than half of that percentage, 5.3 per cent of natives, were attending universities and colleges. What does the government say about that?

What does it say about housing for natives? Well, in a cabinet memo concerning housing construction for native people we find the following statement:

> The Canadian Employment and Immigration Commission has now advised the Department of Indian Affairs and Northern Development that from April, 1980 house construction projects will no longer be eligible for relief funding.

Madam Speaker, relief funding was of major assistance not only in providing employment for some thousands of native people but also for improving their housing stock. Yet the department which controls so much of the funding for employment programs has decided that none of this money can be used for employment on native reserves to improve native housing. The results can be seen by anybody who visits native communities on the reserves or elsewhere in the north. In the constituency of Nunatsiaq, which is represented by my hon. friend, only about 1 per cent of the people own their own homes. The cost of operating them and, in particular, the cost of utilities is a major deterrent.

Social Development Ministry

When one visits these communities one is immediately struck by the difference between the way in which the indigenous people live and the way in which the government bureaucrats, 99 per cent of whom are white, live. A visitor to any of these communities sees one set of housing in which there is no running water, no plumbing and no central heating—this, of course, is where the riff-raff, the native people, live—and quite another set of housing which accommodates government employees and a few people from the private sector. This is where one finds indoor plumbing, running water, central heating, all the things one does not see in the native community. These are the circumstances in which native people live, yet the message the minister gave us when presenting this resolution, if one studies it and thinks through the implications, is: We do not intend to do any more for native people than we have done in the past.

Another of the departments over which the minister will have responsibility is the Department of National Health and Welfare. We have heard a great deal in the past year about the decline of a program of which all Canadians have been proud—the program of medical insurance. This program, Canadians thought, had established once and for all that no one in any province or territory of this country would have to worry about the possibility that they would be deprived of the best available medical care on the ground that they could not afford it. However, in recent years we have seen a marked change. Why? Because in the mid-seventies the then Liberal government, with Conservative support, decided to reduce the federal government's share of health care costs. By early 1977 it had replaced the health care cost-sharing program by a system of block funding. Under this arrangement, instead of being given 50 per cent of the cost of provincial programs, the provinces were allowed a certain amount of money along with the right to levy taxes.

• (1620)

We in the New Democratic Party opposed block funding at that time for three main reasons. It removed from the federal government the ability to ensure uniform standards of care across the country, it provided unequal financial assistance to the provinces, and it tied future increases in financing to an arbitrary standard unrelated to the realities of the health care system. As the present Prime Minister (Mr. Trudeau) admitted at that time, he was gambling with our health care system. He gambled, and the Canadian people have lost.

Since block funding was introduced there has been a dramatic erosion of the universality of provincial plans and of reasonable access guaranteed to Canadians. In Ontario 20 per cent of physicians have opted out of the provincial plan. In both Alberta and Prince Edward Island 42 per cent of the doctors charge more than the amounts set out in provincial medical fee schedules. The patient, of course, has to pay the difference in cost. In the last five years premiums have increased 82 per cent in Ontario, 50 per cent in British Columbia and 33 per cent in Alberta, and the number of new hospital user charges introduced over the past five years has reached 23.

In my own province we have seen the Conservative government not only not match the grants it gets from the federal government, but it has also used the federal government funding to reduce its share of the cost of paying for medical insurance very substantially. During the campaign the Liberal candidate in Winnipeg-Assiniboine, together with the present Minister of National Health and Welfare (Miss Bégin), promised that a Liberal government would stop that kind of theft—because that is what it is—on the part of the provincial government. Well, we have seen what has happened since this government was elected. Despite repeated requests and proposals from hon. members of our party, the minister has refused to act. The minister has had the lame excuse that she would wait until the Hall commission made its report. I happen to think that the present Minister of National Health and Welfare is one of the best ministers in the present government, but that is not what she was saying during the election campaign. She was not saying that she would wait and that the Liberal government would wait until the Hall commission reported; she said that they would take action and that they would take it quickly.

An hon. Member: More Liberal flimflam.

Mr. Orlikow: As my colleague says, more Liberal flimflam, and from a minister from whom one would have expected a good deal more.

I want to deal with one more example of the kinds of programs we need and which are going to be hurt by what I believe to be the virtual freezing of fundings for programs, which is implicit in the speech which the minister made yesterday. An increasing percentage of the female population of this country is working. In fact, the percentage of women working is rapidly approaching the percentage of the male labour force. That is not surprising, given the cost of living. Given the cost particularly of purchasing a home in most Canadian cities at the present time, it is almost axiomatic that if a young married couple wants to buy a home, both husband and wife have to work in order to earn the down payment and then to meet the high monthly payments which are required because of our high mortgage interest rates. I am sure there is not a member of this Parliament who has not given up trying to canvass during an election campaign in the day time in most parts of his or her constituency because there is nobody home. Both husbands and wives are out working.

One of the effects of wives with young children having to be out at work is that we have tens of thousands of young children who are not properly or adequately looked after while their mothers and fathers are both working. In every city we can find fairly young children who finish school at three thirty or four o'clock and who wander around the streets by themselves because their mothers are not home until five or five thirty in the afternoon.

What has the government done about that? How have governments, federal and provincial, reacted to that situation? Well, we know that child care centres are few and far between. It is not uncommon for parents to experience a six-month waiting period for child care centre space. In 1978 there were 695,000 children under the age of six. Of these, only 73,000 were enrolled in supervised child care programs. Lack of accessible and affordable child care has forced 90 per cent of parents to place their children in unregulated facilities. Child care centre space costs on an average between $3,000 and $4,000 per pre-school child per year. Let us compare that with the $1,000 maximum child care income tax deduction. Government subsidies are available to those in need or those likely to be in need, but subsidy eligibility is so restrictive that 70 per cent of available moneys go to the children of single parents or "at risk" children. The result is that day care centre space is available only to the rich and to the poor. Present cost-sharing arrangements between the three levels of government are totally inadequate. Under the present funding scheme the federal government takes no responsibility for site, salary or equipment costs. Subsidies for those with proven need which are cost-shared 50-50 by federal and provincial governments are insufficient.

In addition, provincial governments are under no compulsion to match federal subsidies for child care. Child care workers are traditionally female, underpaid and unorganized. In addition to poor benefits and largely unsatisfactory working conditions, the pay is low. Average incomes range from $7,000 to $10,000 a year. The majority of child care workers do not belong to unions and have no job protection.

Along with many non-political organizations such as women's organizations and organizations representing poor people, members of this party have been urging federal and provincial governments to begin at least trying to meet the problems of child care, which I have outlined very briefly, in a well thought out and organized manner. At least let there be a beginning. I can only conclude from listening to the minister's speech that the government has given up the task before it has really started, because the minister has said that there is really no new money available. We in our party do not accept the argument that there is no new money available. We believe that this country is wealthy enough and has the resources to provide for the needs of its people, some of whom I have mentioned in my speech today.

Let me indicate two ways by which we can find the money which is necessary. First, we have one of the highest rates of unemployment of any of the industrialized countries in the western world. It has been estimated that if, instead of the over 8 per cent unemployment we now have and the 9 per cent unemployment estimated by such organizations as Wood Gundy for the last part of 1980 and the first part of 1981, we were to have 4 per cent unemployment, which for many years was the figure for unemployment which the Economic Council of Canada calculated as meaning full employment in this country, we would be producing $5 billion more in the way of goods and services than we are producing now. We would have at least 100,000 and probably 200,000 fewer unemployed. These people would be purchasing goods which are produced by Canadians. They would be paying taxes. The companies for which they would work and the companies from whom they

would purchase goods would be doing more business and paying more taxes, and government revenues would rise by something in the neighbourhood of about $1.5 billion a year. That is part of the way in which we would find the money necessary to finance the kind of programs which we believe we should be operating at present.

● (1630)

But there is another way in which the money can be found. The National Council of Welfare, in a document entitled "Hidden Taxation", pointed out that there are more than 60 deductions, exemptions, credits, exclusions and preferential tax rates which make up the invisible tax expenditure budget. They have estimated that these are only 20 per cent of the tax expenditures, and the amount of money which we lose in these various tax exemptions and credits was $7.1 billion in 1976. They have estimated that the full amount would be more than double that figure. Of that $7.1 billion spent in 1976, 53 per cent of the savings were given to the highest 20 per cent of the tax filers. The tax saving was $4,781 for the tax filers with incomes over $50,000; that is 12 times the amount that a person in the middle-income bracket received.

Here is how they estimated where the money went in millions of dollars. We gave up in tax revenues in 1976 through the registered pension plan, $707 million; for the registered retirement savings plan, $859 million; for the registered home ownership savings plan, $156 million; for interest and dividend deduction, $721 million; and for the dividend tax credit, $111 million.

If you look at the registered retirement savings plan, you see that almost $7 out of every $10 that was forgone by the government in taxes went to the highest income 10 per cent of the tax filers, and more than half the benefits went to the top 5 per cent. In 1976 the lowest income 50 per cent of tax filers had an $148.47 average tax saving; the top 5 per cent income tax filers saved $1,449.13—ten times as much. Some 62 per cent of the 1974-76 increase went to the top 10 per cent of tax filers and 43 per cent to the top 5 per cent alone.

In case any member of Parliament thinks that the National Council of Welfare misrepresents the figures, I refer members to a study done by the federal Department of Finance which reported late in December of 1979. They calculated that the federal government is losing at least $32 billion in revenue because of so-called tax expenditures. This is the revenue loss in 1979 associated with about 190 tax exemptions, deductions, write-offs and special incentives listed in the 96 page report entitled "Government of Canada Tax Expenditure Account" released on December 6, 1979.

Let me summarize some of the illustrations of how they got this $32 billion. The special frontier drilling incentives cost the government $100 million a year—$30 million to individuals and another $70 million to corporations. Those are precisely the individuals and corporations who can best afford to pay taxes, yet we give them exemptions or reductions.

In the housing area, the registered home ownership savings plan costs the government $115 million in lost revenue annually; the multiple unit residential building provision costs $10 million; and the deductibility of carrying charges on land costs $35 million. Again this is a gift to people who can most afford to pay taxes.

For individuals, the revenue loss to Ottawa in 1979 for the following selected items is: tax deductions for registered pension plans and registered retirement savings plans, $2 billion; tax deduction for contributions to the Canada and Quebec Pension Plans, $480 million; non-taxation of capital gains on principal residences, $2.5 billion; marital exemption, $1.36 billion; deduction for dependant children, $870 million; child tax credit, $810 million; non-taxation of lottery and gambling winnings, $300 million; and employment expense deduction, $500 million.

I could go on and on, but I think I have indicated quite clearly that in the view of our party the argument that we cannot afford to make improvements in our social security system, that we cannot afford to do better for the people in need, that we cannot afford to do better for the aged, that we cannot afford to do better for our native people, that we cannot afford to do better for the poor in our society who still number in the millions, simply does not wash. We believe that the Canadian people can afford to do a better job than we have done in recent years. We believe that the needs of Canadians who are in want can be met; and we believe that this proposal of the government is an attempt to put a stop to improvements, to put a stop to the expansion of our social security system, to put a stop to the very meagre steps which have been taken to try to improve the lot of the poor people, the people in need in this country. It is because we believe that, Mr. Speaker, that we propose to vote against this resolution.

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next hon. member to speak, I should like to give the proceedings on the adjournment motion for this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Air Transport—engine failures on Air Canada aircraft—Call for inquiry and study on air safety; the hon. member for Lethbridge-Foothills (Mr. Thacker)—Energy—Processing of resources near source—Possible relocation of Sarnia complex; the hon. member for New Westminster-Coquitlam (Miss Jewett)—Employment—Reinstatement of outreach program—Restoration of funds for 12 projects.

Social Development Ministry

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ADMINISTRATION

ORDER IN COUNCIL RESPECTING ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

The House resumed consideration of the motion of Mr. Pinard (for Mr. Trudeau):

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander-in-Chief of Canada:

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I am very happy to be able to rise in the House to speak to the order in council which has been submitted to us for approval. A Minister of State for Social Development has been badly needed for a number of years.

Together with my colleagues yesterday, I was very happy to take the trip back through the last two decades to the early 1960s. Because I remember them so well, I am sure I can say without giving offence that the theme song that was brought home to me was entitled, "But, Deary, You're So Much Older Than I." That is why in this world of politics I am looking to the future.

The world of politics is filled with band-aid, ad hoc remedies and that is why the former government made the decision and drafted an order in council to initiate such a department to give some long-term planning to the social and cultural needs of the Canadian people. I am very pleased that the present government has seen fit to reintroduce this order in much the same form.

A department for social justice, a department for social development, would quite obviously be instrumental in securing for all Canadians the conditions necessary for human justice and human fulfilment. But the spectrum of concerns which would flow within the general category of social development is so broad that one can easily understand the need for one agency which will be responsible for the long-term policy which may well outlive various governments and which is absolutely essential for ensuring fundamental human rights for Canadians of the future. We have seen all too many band-aid programs in the last decade.

● (1640)

I, for one, see some hope for the future in the proposed establishment of a social development department. I hope I am not proven to be too optimistic in that regard. More than any other ministry, this one will touch upon the aspects of government which directly affect the rights, the worth and the happiness of individual Canadians in their everyday lives. I believe the minister responsible should be one of the most important people in cabinet. If issues such as old age security, pensions, employment, housing, women's rights, opportunities for the handicapped, poverty, health care, physical fitness and immigration are not government priorities in this country of ours, then what on earth are?

The spectrum of social development concerns is so broad that I have decided to concentrate my remarks on one important aspect, that is, policies regarding the elderly. That is the third stage of life which should be the golden age but for so many Canadians is not. Being somewhat close to the traditional retirement age myself, and feeling not in the least like being put out to pasture, I find myself becoming increasingly aware of that factor in life on which certainly happiness depends and which, I believe, falls into the category of a basic human right. I am speaking about choice. All too many Canadians upon approaching retirement age suddenly find the choice they have with respect to their lifestyle drastically changes and is curtailed. I am referring to the rights they have previously taken for granted to work, to be useful and productive in society, to earn a decent living and to receive a decent living. All of these things disappear far too quickly upon attaining age 65.

The question of choice naturally brings me to the subject of mandatory retirement. Surely in this age—and I hope in this decade—there should be more personal choice involved as to whether a person finishes his or her career upon attaining age 65. There are many factors involved, such as health, financial position, desire to continue work, ability to continue being productive, enjoyment of leisure, family situation and on and on. An automatic retirement age meets neither the needs of our economy nor the wants and needs of the majority of people.

For this reason our party had planned to devote particular attention to the question of retirement age in its review of the public and private pension plans of the country. The issue is arousing public concern both here in Canada and abroad. I see this as a demand on the part of the senior public sector to be able to exercise greater choice in terms of the decision to retire. As it stands, the individual does not have the right to choose. Human rights legislation leaves retirement policy to the employer, and employees are not protected against discrimination in employment or hiring practices after age 65. To me the key word in the resolution of this problem is "flexibility". Not everyone wants to work over age 65, which is their right and privilege. Not everyone is able to work beyond or even up to age 65 due to health problems or the difficulty of finding work. A 1975 survey by Statistics Canada showed that a full 37 per cent of men had retired by the age of 64, and nearly 70 per cent did so because of ill health or lay-offs. Fewer than one-third of these men had employer-sponsored pension schemes, systems or plans. Most were not eligible for the Canada Pension Plan because they were either not sick enough or old enough.

There is a category of workers who are mentally and physically able to continue working and, for any number of reasons, wish to continue doing so even after age 65, but these workers are forced into what for them is premature retirement.

Studies have shown that barring physical speed and strength most jobs can be accomplished just as competently by a person who is healthy and strong and between ages 65 and 70 as by a younger employee. In many fields it is experience that counts. In this way our country has an invaluable resource in its senior citizens. Furthermore, it has been predicted that by 1984 the Canadian labour force is likely to be short of such experienced and skilled workers. However it is to be done, we must try to maximize the resources offered by citizens in the senior age group. This can only be done by taking an open, flexible approach. Let those who are willing and able to work after age 65 do so.

We should increase opportunities in the work place for part-time work and allow a gradual approach to retirement whereby a person can increase holiday time over several years and take up to five years, more or less, to ease into retirement.

It is the elderly women of this country who have been most discriminated against in the past. It is these same persons who are most discriminated against now through absolutely no fault of their own. Many shared the family work load by staying home to raise the family. Some took years off work to do this and lost all pension-related credit for this time. Most who worked did so for much lower wages than their male counterparts, and a large proportion worked in industries not protected by union agreements. All this adds up to the fact that few women over age 65 qualify today for significant retirement benefits. Therefore, they are forced to rely on their husbands' incomes after retirement. If their marriage dissolves, more often than not they are left out in the cold financially and indeed are in want of protection. If their husbands die before them—and statistically this is more likely to happen—they lose all or at best half of their husbands' pensions.

For women between the ages of 60 and 65 the situation is often quite desperate as they do not even receive old age security benefits. Since one-fifth or 20 per cent of Canadian women are widows before age 65, it goes without saying that when we talk about hardship we are talking about a lot of women, a lot of women who have worked all their lives to live and die in difficult circumstances. In 1975 more than two-thirds of all unmarried and widowed women over age 65 had cash incomes below $3,500. I trust the new minister responsible for social development will give immediate and thorough attention to the pressing problem of pension needs for the 1980s and beyond, particularly with respect to women and to improving the inadequate and inequitable private pension system.

In our short term in office the Conservative party addressed itself to the needs of the elderly in the 1980s, particularly the urgent needs of the women of this country. We introduced legislation which ceased the practice of cutting out spouse's allowance upon the death of a pensioner mate. We reinstated payments to all those who had lost their benefits and still qualified. We undertook a complete review of the pension situation of women, we allocated $15 million for home care programs for the elderly, and we introduced a veteran's pension bill which would have extended benefits to widows of disability pensioners who had not formerly qualified for payments. While we were bringing in these particular measures we were conducting a comprehensive review of the whole retirement income system; that is, into the present and future income needs of the elderly and the extent to which various public and private pension systems were responding, or not responding, to these needs.

• (1650)

We will be anxious to see what policies this new ministry will formulate to alleviate the present plight of women on pension and to change the system for a better retirement future for our Canadian women. I would ask the minister responsible to examine without delay the possibility of allowing the husband of a woman who is working in the home to contribute on behalf of his wife to the Canada Pension Plan, so that when she enters or re-enters the work force she will not be penalized for these years of service in the home. This would also give women some protection in the case of a divorce after years of staying home to raise a family.

I trust that the Minister of State for Social Development (Mr. Chretien) will see to it that the piecemeal approach to the income needs of the elderly which marked the last decade is put aside, and that this enormous and complex problem is broached in a thorough and comprehensive way.

Along these same lines of permitting the elderly to maintain some control over their own lives, I should like to mention the increasing problem faced by the elderly in keeping their own homes. In my community of St. Catharines, which has a large percentage of elderly and senior citizens, some 8 per cent to 10 per cent live in some form of residential or institutional lodging at a substantial cost to the government. In some cases this is the best answer, but an increasing number of senior citizens who are perfectly capable of maintaining their own homes are caught in the inflationary spiral and are being forced out of their homes.

The Enersave program to help people insulate their older homes has been an enormous success. This was a much needed program and one that has proven popular. More programs of this nature are needed, programs which will have the end result of keeping people in their own homes for as long as possible. The psychological importance of this kind of independence is enormous, and if the government would offer elderly home owners financial assistance and encouragement, this would benefit the home owner and would cost the country a good deal less.

To my mind this problem is a political one. Governments have been caught up in band-aid programs to keep the electorate happy, while much needed long-term planning has been constantly shifted aside. The other day I was talking with a senior director responsible for homes for the aged and for care of the aged in the regional municipality of Niagara. He stressed that there was little or no such long-range planning at the provincial or federal levels. Is it not time, then, that some form of mechanics or strategy was established to facilitate the

necessary thinking and planning as we enter this next new decade.

The problems associated with pensions are among the most complex and urgent facing the country today and they are not going to get any better. By the year 2000 the number of senior citizens, now 2.2 million, will have grown to over three million. In Ontario the number will have almost doubled. If something is not done the aged are going to impose an extremely heavy burden on society in terms of pensions and social security.

It is my hope that the prime objective of this new department of social development will be to consolidate what we have learned in the past regarding the successes and failures of social programs, and to assess what the real social needs of the future are going to be. Only then can it realistically be determined what the social priorities for the next two decades will be and how the Canadian government is going to fund these programs. With regard to our growing elderly population, if there is not sound planning and a shift in attitudes, the economic and social implications by the turn of the century will be devastating.

With this anticipation, I am happy to support the passage of this order in council, and I hope to participate in that support this evening.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Trudeau), which was agreed to on the following division:

(Division No. 9)

YEAS

Messrs.

Andre
Bachand
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Buchanan
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Cardiff
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cooper
Corbett
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Crombie
Crosby (Halifax West)
Crouse
Cullen
Cyr
Dantzer
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fleming
Forrestall
Foster
Fox
Francis
Fretz
Friesen
Garant
Gass
Gauthier
Gendron
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Harquail
Hervieux-Payette (Mrs.)
Hopkins
Howie
Huntington
Irwin
Isabelle
Jarvis
Jelinek
Johnston
Kelly
Kempling
Kilgour
Killens (Mrs.)
King
Korchinski
Kushner
Lachance
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
La Salle
Lawrence
LeBlanc
Lefebvre
Lewis
MacBain
MacDonald (Cardigan)
MacGuigan
Mackasey
MacLaren
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McLean
McMillan
Mitges
Nicholson (Miss)
Nielsen
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Simmons
Smith
Stevens
Stewart
Stollery
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Watson
Whelan
Wright—172.

NAYS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
de Jong
Fulton
Hovdebo
Jewett (Miss)
Knowles
Kristiansen
Lewycky
Manly
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly
Waddell—22.

[*Translation*]

Madam Speaker: I declare the motion carried. The hon. member for Ottawa-Vanier.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, the time normally allotted to hon. members for

discussing or debating private members' bills is now reduced by at least 45 minutes and I am wondering whether, to preserve the principle of democracy, the debate on Bill C-214 could be postponed until the next sitting of the House and whether we might call it six o'clock.

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

Some hon. Members: Agreed.

Madam Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At 5.47 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

FEDERAL BUSINESS DEVELOPMENT BANK ACT

AMENDMENT RESPECTING INCREASE OF ADVANCES TO CORPORATION

Hon. Charles Lapointe (for Minister of Industry, Trade and Commerce) moved that Bill C-20, to amend the Federal Business Development Bank Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

[*Translation*]

Mr. Lapointe (Charlevoix) moved that the bill be read the third time and do pass.

He said: Mr. Speaker, I would like to make a few opening comments, but first of all I wish to take this opportunity to thank my colleagues on this side of the House and my colleagues of the Progressive Conservative Party and the New Democratic Party for the interesting proceedings we had in committee when discussing this bill, and I would also like to thank them for having allowed this bill to go through the committee stage in reasonable time.

One of the main questions asked during the discussion in committee, Mr. Speaker, concerned the fact that the bill provides for an increase of the financial ceiling from $200 million to $475 million at the same time as an increase in the debt to equity ratio from 10:1 to 12:1 and even to 15:1.

[*English*]

Mr. Speaker, as I indicated in my opening remarks at second reading stage, the bill provides the government with the flexibility to be as sensitive as possible to the needs of the bank's small business clientele while recognizing the government's strained financial position. Because of fiscal pressures the government has retained the provision introduced by the

last government to increase the bank's capitalization by increasing the bank's debt to equity ratio from 10:1 to 12:1 and ultimately to 15:1. However, reflecting the government's commitment to small business, and recognizing the difficulties that small businesses have financing their operations especially during a period of high interest rates, the government decided that it would also be appropriate to have some flexibility enabling it to increase the capital of the bank through an injection of equity, even to the extent of lowering the debt to equity ratio to as low as 7:1.

● (2010)

The capacity to lower the debt to equity ratio from present levels would enable the bank to operate at a debt to equity ratio more in line with recent experience. Until very recently the bank operated at an eight to one ratio, and as of March 31, 1980, the ratio was nine to one. The legislation before the House will allow the government to lower the debt to equity ratio should the government decide such additional support is warranted. Another reason for providing additional equity is the likelihood of the bank experiencing an operating loss in the current fiscal year. Such a loss would have the effect of eroding the capital base of the bank unless it was replenished with new capital. Finally, as the former minister of state for small businesses noted in his speech in the House during second reading debate, there is also flexibility for the government to fund the venture capital portfolio of the bank with equity if it is deemed appropriate.

I have provided at second reading and committee stages details on the factors the government considered in drafting this bill, particularly those factors leading to a decision to increase the capital ceiling of the bank to $475 million.

[*Translation*]

In these few opening comments, I would like once again to remind my colleagues about the urgency of approving this bill because in a few days the bank will have reached the financial ceiling now allowed and will have to reduce significantly its activities if the bill is not passed.

[*English*]

Hon. Ron Huntington (Capilano): Mr. Speaker, first I should like to say that it was with some regret I learned the steering committee for the committee which studied this bill put the bill before committee last Thursday when I had an irrevocable commitment to attend the west coast for some functions and duties. Thus I missed the committee hearings which the Minister of State for Small Businesses (Mr. Lapointe) mentioned in his opening remarks.

Many of the questions which I put on the record in second reading debate appear at page 1361 of *Hansard*. I believe that Parliament still must decide the degree of subsidy it is prepared to deliver to the Federal Business Development Bank as its mandate requires it to be a lender of last resort. But I do not think Bill C-20 addresses that question. The degree of flexibility Parliament will give the minister and the government under this bill is excessive. Certainly the matter will have

to be tidied up. That question should be answered in the review to which the Minister of State referred several times. It is desperately needed in order to stop this patchwork attempt at addressing the credit needs of the industrial and resource communities of the country.

Bill C-20 will give the government maximum flexibility. It will give them more than they need. Their capital base will be increased by $275 million. In my speech on second reading I could see a need for a $205 million increase. I could go along with $275 million, but on top of that they have asked for us to increase the ratio of capital to lending from one to ten to one to twelve, with governor in council approval to go to a ratio of one to fifteen. It is still my opinion that it is not needed and it is excessive flexibility. Had I been present at the committee hearings, certainly I would have had an amendment for report stage of the bill in the House. However, I have not had that opportunity as I returned from the west coast only a few hours ago this afternoon.

I should like to refer to one of the questions asked of the president of the bank before the committee. It reads:

—do you expect to draw from the consolidated revenue fund of Canada?

The president of the bank answered as follows:

Mr. Minister, Mr. Chairman, I cannot answer that question obviously, as I am sure you appreciate, that I just explained the point of view of the bank and that is really up to the government to find out if we should be at a seven to one ratio, if we should be at a ten to one ratio—

In other words, the president of the bank at committee hearings could not answer the simple question as to whether there would be a draw on the consolidated revenue fund. I have been able to get through about two thirds of the proceedings of the committee, having received the "blues" at approximately 6.15 this evening. I find that I have no further answers to the questions I asked than I had at the time of second reading debate.

In allowing this bill to go through third reading, we will give excessive flexibility to the minister and the Federal Business Development Bank without the basic and prime questions being answered. I still think the capital they will be given, the increase of $275 million over the $200 million, is enough, and that the ratio should have been left at one to ten. The minister will reply that in the bill there is a cap of $3.2 billion. I would suggest, and warn members of the House, that it would be very easy for a supplementary amendment to be made to the bill at some future time, even before the review is complete, whereby the bank would be out of control. Why they need to move from one to ten to one to twelve is beyond me in light of the new capital they have been given. It was my understanding that that capital would be a cancellation of debt and that there would not be a draw on the consolidated revenue fund. I now find from the committee proceedings that that question has not even been answered.

I regret I was not at the committee hearings. I apologize to my colleagues on this side. But a member of Parliament only has one life to live, and if it is 2,800 miles away he cannot be here when he is required on the west coast. I wish the bill were a little tighter and that we were not moving from the ratio of one to ten up to one to twelve. I have no concern with $200 million of the $275 million increase in capital requested. Probably the extra $75 million should be the limit of the flexibility the bank and the government require in this matter. However, it is all history now. The bank needs the money, as does the small business community. I am sure it will be managed judiciously because I have great confidence in the president and senior officers of the bank. We will just keep our eyes on this situation. We will support the bill through third reading.

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise to express some concern about the bill. In some ways it is a housekeeping measure, but we do not believe it will really solve the problems that increasing numbers of Canadian businessmen, particularly small businessmen, will be facing in the years to come.

Already we note from statistics that the bankruptcy rates in the business sector have increased dramatically so far this year. Up to the end of April there have been over 2,273 business bankruptcies in the country, with a total liability of approximately $233 million. These are businesses which very often are a result of family effort, a family putting in its life savings to start a small business. It is unfortunate our economic system encourages a lot of small businesses to arise during periods of boom, like mushrooms which sprout after a good summer rain, only to be wiped out in the times of the busts. Indeed, we are going through a period of bust and we see family investments and savings being wiped out. I do not believe the amendments before us today will make one iota of difference. They will not stop the number of bankruptcies. In fact I suggest that the rate will increase during this year.

• (2020)

The amendments will not stop the type of economic concentration we have seen occurring in our country in the last number of decades. These amendments will do nothing to stop this trend. There is always the suggestion, of course, that members in the opposition to our right and members opposite make, that our political party is opposed to business and particularly small business. We have repeated in this House that this is not so. Our party is definitely committed to that sector of the economy which employs over 30 per cent of our labour force, the small businessmen who employ under 200 employees in their businesses.

We have always objected to the type of economic concentration which has occurred in this country, a type of concentration that in 1978, for example, saw less than 2 per cent of all Canadian businesses, excluding financial institutions, foreign owned, yet that 2 per cent accounting for close to 50 per cent of all the profits made in the country. That is the type of foreign control and foreign domination which is continuing to destroy small businesses in this country, and that is why we have one of the highest business failure rates of any country in the world.

We exist not in a system of economic planning, but small business requires some economic stability. If we do not have

economic stability then we will continue to have the number of bankruptcies that we have in this country. As long as we do not have some economic stability and planning we will find the rate of bankruptcies in this country among the highest of any in the world. The bill before us will not stop this, and it will not deal with it.

It is not going to stop the oil companies, for example, from driving small businesses out. For example, they have driven out small garages, resulting often in increased cost and decreased services. Where can you go today to get your car repaired? In the past there were many garages and service stations which did repair work, but they have all been wiped out.

At the turn of the century there were over 200 car manufacturers, and now there are less then half a dozen. We know what happened to the car industry when the big boys took over.

We will not oppose this bill, but we wish to go on record as noting how inadequate it is, how it does not deal with the problems of the small businessman, how it does not come to terms with these problems, and how it makes empty the government's promise of help and support to the small business community. This bill is of no real help and it is of no real assistance, because it does not meet the real problems the businessmen face.

Mr. Peter Lang (Kitchener): Mr. Speaker, I am glad to have the opportunity to speak on Bill C-20 to amend the Federal Business Development Bank Act because of its importance to small business which is the life blood of our nation and the economy. Putting this act in perspective is important. Our government's policies toward small business are really an integral part of our industrial strategy that was enunciated during the past election campaign. Of course the main thrust of this policy was to encourage Canadian owned small business.

As the economic council reported recently, although the percentage of sales and profits going to foreign controlled firms increased during the 1970s, the percentage of total Canadian assets and equity held by foreign controlled firms decreased. The objective of the Liberal government is to continue the latter trend and to reverse the former.

Canadian owned business, regardless of size, will need encouragement in this endeavour. It has generally been the case though that large corporations are much better able to capture a growing share of the market place than small business. Particular attention and vigilance must be directed toward maintaining and enhancing the position of Canadian owned small business in our economy.

It is important to recognize that about two-thirds of all the new jobs created in Canada in the last five years were created by small business. Some 97 per cent of these businesses are Canadian owned, operated in a highly competitive environment, and are community based. Because of this they tend to be more innovative and flexible than larger corporations. It is also noteworthy that a significant proportion of new inventions and innovations have come from these individual entrepreneurs and small business organizations. An important trend that augurs well for the future is that younger people are becoming increasingly interested in small business. Encouraging the growth of small business through the Federal Business Development Bank fulfils a number of important objectives—providing jobs, diversifying growth regionally, decreasing economic concentration, stimulating innovations, creating more livable communities, making work more interesting and, of course, increasing Canadian control of the economy.

As hon. members well know, the Federal Business Development Bank was established in 1974 to encourage the growth of small business by providing financial assistance and management services, which include counselling, training, and information. The bank replaced the old Industrial Development Bank which dated back to the 1940s. The bank's aim is to provide financial assistance in cases where it is not available at reasonable terms from other sources. The counselling service it offers supplements those available in the private sector. The role of the bank then is to act as a complement to financial institutions in the private sector, and to government agencies, and in co-operation with one another to encourage and diversify business ventures in Canada.

In order to understand how the bank responds to the requirements of small business it is first necessary to have a look at the amount of loans provided. While about 90 per cent of loans are in amounts under $100,000, almost half are under $25,000. The average loan works out to about $53,000.

Because the bank acts as a supplement lender it takes much greater risks than private sector lenders. As a matter of fact, with the experience the bank now has from a scant five years in operation, and with other lending institutions venturing into term loans, the bank's activities have become much bolder. The bank has fulfilled a very important function in this respect because many already established or newly formed businesses cannot meet the stiff criteria required by conventional lenders. While the potential for expansion may be there, the feasibility and the guarantees offered often do not meet the requirements of these lenders.

Within a relatively short span of time the bank's activities have spread out and generally have become more daring in responding to the needs of small business. As a consequence, private loan operations tend to become involved in large lucrative loans to business in urban areas. The result is that the demand for supplementary financing by the Federal Business Development Bank in small centres and rural regions has increased. In response to this the bank decentralized its services to the point where 60 per cent of its 100 branches are located outside the major cities. In addition, 98 per cent of the loans are approved at the branch or regional office level, thus speeding up the processing time for each application.

● (2030)

As you can see, Mr. Speaker, the bank plays a very significant role in terms of financing regional enterprises and encouraging regional development. In terms of my own riding,

in the 12-month period ending March 31, 1980, there were 790 inquiries made for financial services in the Kitchener-Waterloo area and 236 loans authorized, for a total of $12.3 million. With respect to management services, there were 240 visits by the Federal Business Development Bank officials to 12 centres in the Kitchener area. The information officers in the local branch responded to 874 inquiries for assistance and made 754 referrals to other federal agencies that provide assistance. As well, for the benefit of local businessmen the bank also held 16 seminars.

The counselling assistance for small business enterprises branch of the FBDB responded to 515 inquiries and made 417 consultations as of March 31, 1980. There were 586 clients in the FBDB portfolio with approximately $30 million in loans working for the expansion and development of small business in my riding. So as you can see, Mr. Speaker, the Federal Business Development Bank is a very important link between the small businessman and government in the area I represent.

The changes that have become necessary to the act that governs the Federal Business Development Bank are really alterations that are needed to allow the bank to expand to meet with greater sensitivity and resources the requirements of small business within the framework of an industrial strategy. They are geared expressly to allow the bank to fill its mandate according to the Federal Business Development Act of assisting smaller enterprises unable to obtain financing on reasonable terms and conditions, while operating on a cost-recovery basis as a schedule D Crown corporation. The situation we are currently faced with is that the bank has simply exhausted the resources made available to it when it was created in 1975.

Under the original act, the bank's resources were limited to $200 million in authorized capital at any time. Since the bank's total resources of $2.2 billion are already committed, this operating limit may be extended by increasing the debt to equity ratio or increasing the amount of authorized capital, or a combination of both. Bill C-20 does both, by allowing the Minister of Finance (Mr. MacEachen), at the request of the corporation and with the approval of the cabinet, to increase the amount of authorized capital, up to a limit of $475 million. It also establishes the debt to equity ratio of the bank at 12 to one with the provision that the cabinet may increase this to 15 to one if necessary.

The bill provides operating limits, as well, in that the total aggregate liabilities of the bank combined with its capital must not exceed $3.2 billion. The reason these changes in the act became necessary was that the bank incurred losses of $30 million in the fiscal year 1979-80. Many of the factors responsible for this were beyond the control of the bank and largely unanticipated, such as high interest charges, the increase in bankruptcies and, more specifically, the loss of big loans to the private lending institutions.

In the last few years the chartered banks have entered the term loan market with vigour. They have concentrated on larger, lower risk loans on which administrative costs have less impact. Also, for smaller loans under $75,000 covering the acquisition of property or equipment, the chartered bank advances are guaranteed under the Small Business Loans Act program. The FBDB thus finds itself limited to loans where the profit is too low to interest chartered banks, or which are too risky to be covered by the Small Business Loans Act program. This is due to the purpose of these borrowers' programs, such as the need for capital and equipment.

Finally, the bank's involvement is far greater in remote areas, as well as provinces where conventional lending institutions are less active. Again this reflects the supplemental nature of FBDB's lending. Formerly, the Industrial Development Bank required borrowers to have sufficient equity to provide the bank reasonable protection. Under its new charter, FBDB only requires an investment sufficient to ensure a continuing commitment to the business. In light of this, the security held by the bank has decreased significantly. Thus in 1973, 52 per cent of loans authorized were fully secured. This proportion had decreased to 31 per cent by 1978. Moreover, in 1973, 11 per cent of loans had a security shortfall of 50 per cent or more of the loan amount; in 1978 this percentage increased to 26 per cent. In 1973, 56 per cent of borrowers did not have a proven track record at the time their loan was authorized. In 1978 the proportion rose to 64 per cent.

Losses from write-offs, Mr. Speaker, have therefore more than doubled over the past five years. These losses are four times greater than those of the Small Business Loans Act program and the bank's provisions in this respect are proportionately five times more than those of the chartered banks. However, one must keep in mind that the FBDB's market is inherently high risk. Nevertheless, the bank's write-offs are considerably less than those of the Enterprises Development Board and three times less than those experienced by the Small Business Administration in the United States.

The bank's ability to operate on a cost recovery basis according to the Financial Administration Act depends largely on its level of debt. Because its market is more costly to serve than that of private lenders, FBDB requires a debt-equity ratio, which is at least comparable to the private lender's over the years. The bank has operated with a relatively low ratio, reaching its maximum level of ten to one, one year ago. As I mentioned before, the bill is aimed at boosting this ratio to 12 to one or 15 to one if necessary.

In terms of improving its operating revenue, the bank has already taken steps to upgrade its position by setting the interest rate on a loan at the date of disbursement rather than the date of authorization, which provides protection in the event of sudden rate fluctuations. It is also considering other steps which include imposing fees for analysing proposals and setting higher interest rates for high-risk loans. Such measures, however, are often detrimental to the bank's small customers. Just as important, measures have already been taken to decrease operating costs. Many duties previously performed by credit officers have been taken over by administrative staff. To date, the cost per loan authorized by FBDB is three times less than at RoyNat, a private lending institution. However, the size of the average loan, the geographical coverage of the bank's activities, and the close monitoring it provides for each

customer, limit the cuts which can be made without affecting customer service.

To sum up, Mr. Speaker, I believe that Bill C-20 provides a balanced albeit temporary solution to the current financial difficulties being encountered by the Federal Business Development Bank. The balance has been achieved because, on one hand, the bank is not burdened with excessive debt and, on the other hand, the bank's customers, the small businessmen, have not been hurt by improving the bank's position. In recent months, however, it has experienced problems in exercising its mandate to the fullest possible extent. We must give them the tools to get the job done and I urge the support of all members of the House.

Motion agreed to and bill read the third time and passed.

* * *

[*Translation*]

LIVESTOCK FEED ASSISTANCE ACT

MEASURE RESPECTING TRANSPORTATION COSTS

Hon. Yvon Pinard (for Minister of Agriculture) moved that Bill C-15, to amend the Livestock Feed Assistance Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

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

Some hon. Members: Agreed.

Mr. Pinard moved that the bill be read the third time and do pass.

He said: Mr. Speaker, at this stage of the third reading of Bill C-15 I want to refer very briefly to what the Minister of Agriculture (Mr. Whelan) said on second reading. I want to thank hon. members on both sides of the House for their co-operation on this bill at the committee stage in bringing back this bill as rapidly as possible before the House, and I do hope that tonight before the time of adjournment we will be able to give it third reading and start the second reading of Bill C-22 in the name of the President of the Treasury Board (Mr. Johnston) who will be here in a few moments. All that to point out that the purpose of the amendments to the Live stock Feed Assistance Act being requested in Bill C-15 are to bring the Yukon and the Northwest Territories within the scope of the provisions concerning transportation costs. So I would not want to prolong the debate further because I would like to allow some of my colleagues on the other side of the House to speak, with the hope however we can once again give this bill third reading in very short order before the adjournment tonight.

• (2040)

[*English*]

Mr. Nielsen: Mr. Speaker, I am sure the government House leader meant to include the Yukon as well as the Northwest Territories in his explanation of the bill. He did not say so, however. That was not what came over on the translation.

Mr. Pinard: Mr. Speaker, I thought I had mentioned the Yukon in French. I want to make sure it is clear that these amendments to the Livestock Feed Assistance Act would bring the Yukon, as I said in French, and the Northwest Territories within the scope of the bill.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, it is a pleasure for me to have the opportunity to take part in this debate. We intend our remarks to be very brief, as is usual with members of the agricultural committee. I have always felt that when it comes to agriculture, whether in this House or in committee, members of the agricultural committee, regardless of their political affiliation, co-operate in order to get bills through as quickly as possible.

We support this bill because it extends the provisions of the Livestock Feed Assistance Act to the Yukon and the Northwest Territories. The Yukon territorial government has been asking for this since 1975 and it is something that our party has sought for the Yukon and the Northwest Territories for many years.

I remember going up to the Territories in 1974 and being met by a delegation which was very anxious to see agriculture expanded in the Territories. It is unfortunate that it has taken so long to bring this bill before the House because, as I said, the government of the Yukon asked for it in 1975.

Basically, the bill should not be required. It is required however because federal government restrictions over the years have made it impossible for the Northwest Territories and the Yukon to develop a viable agricultural base. The potential is there. There is rich agricultural land in the Mackenzie Valley, the Liard River Valley and other valleys. Studies going back almost 75 years indicate the richness of the soil and the potential that is there. About ten or 12 years ago a comprehensive study was made which indicated that potential and the richness of the soil.

About 1972, members of the Indian affairs committee questioned the Minister of Indian affairs and northern development and asked why he was not allowing the development of agriculture in the two northern territories. He said they were busy doing a study. It was pointed out to him that a comprehensive study had been done by the Department of Agriculture five years before then, but he was not aware of it.

It is interesting that it was not until the Conservative government came into power in May of 1979 that an undertaking was given to allow the development of agriculture and recreational land in the territories. That undertaking was to go into effect this summer, but I gather that the present government is not prepared to carry it out.

At the present time there are in the two territories a total of 25 farms, I believe. That is a disgrace, Mr. Speaker. These farms have not been allowed to expand, although there is potential for market gardens that would supply the people of the north with fresh vegetables so that they would not be burdened with exorbitant freight rates on produce coming in from the south. It is unfortunate that we must have this bill today but it is necessary because, over the years, the government has not seen fit to allow the expansion of agriculture.

I wonder if the Livestock Feed Assistance Act has not distorted the livestock industry in Canada. There is no doubt that this act has caused hog production to move from Alberta and Saskatchewan into Ontario and Quebec. It has also had an effect on beef production in the west. I suggest that there are certain natural advantages for the production of pork and beef in western Canada, but I will not pursue this at the present time.

Before closing, Mr. Speaker, I should like to make a few comments on the present agricultural situation in western Canada. While perhaps this bill does not apply to the very serious drought in southern and central Saskatchewan, the government will undoubtedly be called upon to give feed freight assistance to livestock producers in western Canada. As I travelled back to Ottawa from my constituency last weekend, I could see that the crops which were planted on stubble have turned yellow. Even a heavy rain or a series of heavy rains will not bring those fields back to life now. There will not be a particularly good crop on the summerfallow. There is practically no forage. Even the ditches, which usually provide a good source of hay and alfalfa, are not worth cutting. The situation is desperate and will become more so.

While the government recently announced that it will put up some $7 million to assist with drought programs, I would suggest that it will require much more than that if we are to assist our livestock industry and ensure that the necessary basic herds are retained.

● (2050)

It will be necessary for the federal government to work in conjunction with the provincial governments. It will be necessary for them to ensure that screenings are not shipped to Thunder Bay, that they are retained on the prairies, because once the screenings are shipped to Thunder Bay, to Churchill, and so on, if they are required—and they undoubtedly will be—then we have to pay the freight back. In my opinion, this is a needless waste of money.

I would hope that the Minister of Agriculture (Mr. Whelan) will take note not only of what I have said this evening but of what members have said over the past several weeks about the seriousness of the situation on the prairies.

I do not think that I have anything further to say except that we on this side support the amendments in this bill and we will not delay its passage. There is no question that it will be passed by ten o'clock tonight.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am happy to speak on this bill before this Parliament because it may have some significant factors to offer in the development of the north. Not many of us appreciate the great possibilities for agricultural development in the Northwest Territories and the Yukon. Probably we should all spend some time with hon. members who represent the north, such as the hon. member for the Yukon (Mr. Nielsen), who can give us some specific insight into the possibilities of agricultural development in those areas.

As an educator with a great interest in agriculture, I spent a considerable amount of time in the Northwest Territories and the Yukon. I lived in such places as Dawson City, Whitehorse, Aklavik and Inuvik. Some of the things that I will mention here were mentioned before the committee, but I think they bear repeating before this House because they will give some insight into the possibilities of agricultural development in the north.

For example, Dawson City in the gold rush days had a population that varied from 25,000 to 40,000 people. A good portion of the food, particularly green vegetables, was grown in that area at that time. The area also supported a number of cattle as well as a large number of horses that were used in the gold fields at the time. Therefore it has the potential to support many more people than it is supporting at this time.

The Yukon Valley in the Dawson area is very fertile. Because of the almost 24 hours of sunshine or daylight in the north, there is a much quicker growth than one would expect in the south. For example, while living in Dawson City, my wife planted a cauliflower on July 1 and we ate it as a mature cauliflower on August 15, which is Discovery Day for the Dawson City area.

Mr. Nielsen: You missed it by two days.

Mr. Hovdebo: August 17, sorry.

There were a dozen or so farms in the Yukon at that time, possibly there are more now. There is more land that can be developed if it is needed and development is encouraged.

In the Northwest Territories the whole of the Liard Valley from the B.C. border up to Fort Simpson, part of the Mackenzie Valley, has been tested and could support a considerable amount of agriculture. That area is about 4,000 square miles of possible farm country.

I think many of us have a wrong idea about the climate in the Yukon and the Northwest Territories. For instance, I can remember very distinctly being outside at two o'clock in the morning when I lived in Inuvik. It was broad daylight and the temperature was 88 degrees Fahrenheit. That is not unusual in either the Yukon or the Northwest Territories. Inuvik is several miles north of the Arctic circle.

In Inuvik and Aklavik it was quite common to see cabbages grow to a foot or a foot and a half in diameter. The missions in that area kept their population going almost entirely on food that they grew locally. We should not neglect the possible

development of agriculture in the north, at least not in the northwest part of Canada that I know.

I am also pleased to speak on this bill because it includes a couple of basic principles. These principles are partially established in it. First, what is fair for a large group of people somewhere in Canada is also fair for a small group of people living in quite different conditions. By extending this assistance to the Yukon and the Northwest Territories, we are recognizing the right of those areas to be treated as if they were just as important as the rest of Canada, which they are. This is an important principle, be it articulated in an assistance bill, such as this, or in any other piece of legislation which gives equal opportunity to all the regions of the country.

There is also a broader principle brought forward in this bill which I hope this House will consider every time it approaches any legislation which deals with transportation. Much of western Canada's alienation has to do with being put upon by Canada's transportation policies. For example, the western farmer feels very uneasy about the fact that he pays the freight to ship his grain to the east and then pays the freight on the machinery that he buys that comes from the east. This can be machinery, a TV set, or anything else that he purchases that was made in the east. Westerners have become used to paying the transportation or the freight both ways, but they are not happy about it. It is one of the basic complaints and reasons for alienation in the west. Let us not allow this kind of alienation to establish itself in the north. Let us start dealing with it as soon as possible. Let us not allow it to become a factor in the development of the north.

I sometimes dream of a transportation policy based on service rather than on profit which would not penalize anyone because of where that person lives. Maybe the time will come when the northerners will not pay any more to live there than we have to pay to live here in Ottawa.

• (2100)

There are a few other things about this bill I should like to mention. First, if it turns out that the bill was intended to assist in the development of the cattle industry, the poultry industry and other farm operations of that kind for which grain is needed, well and good, but if it turns out that the greatest benefit of this bill will accrue to outfitters who have very little stake in the development of the life of the territories, we should be cautious about the support we give it. Second, there is a danger of it being detrimental to agriculture because the bill subsidizes the movement of grain into the territories and there is an outside chance that it might cut into the profits of those growing grain locally. Again, we should be cautious about that.

There is another area in which caution is required. Should agriculture be developed extensively until the land claims in the Yukon and the territories have been solved to the satisfaction of the native people in those regions? There are certain aspects of the basic legislation which we are amending by this bill which trouble me somewhat, but they are not dealt with in the measure before us. What we are considering now is extending to the Northwest Territories and the Yukon assistance which is given to other parts of Canada, and we support the bill because it bears out a principle we support.

We must be fair to all regions and attempt to treat them in somewhat the same manner. This kind of recognition will be good for the unity of all parts of the nation. The time may come when we shall need to pay far more attention to the agricultural potential and production capacity of the north, and it makes sense to begin recognizing this now. We shall therefore support Bill C-15.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I am pleased to have an opportunity to say a few words on Bill C-15. It is an important bill to the areas to which it will extend freight feed assistance, namely, the Northwest Territories and the Yukon.

It is important we should look at the principle of the bill which is to make it easier to produce livestock in the territories and the Yukon. I should like to underline what the hon. member for Moose Jaw (Mr. Neil) said with regard to realizing the potential for production in this area as part of an over-all assistance package rather than simply doing things on a piecemeal basis, for example, assisting the transportation of feed into the region. The potential of the region to be self-sufficient in terms of what it is capable of producing should also be part of any over-all program.

I had the opportunity to travel into the territories, not very far, but certainly up the Peace River Valley and for a few miles into the Northwest Territories, and it struck me as an area with rich potential for feed grain production. It appears to me that if we were to contemplate making the area self-sufficient in feed grain as part of an over-all policy, it would be a good thing. First, we might try to encourage the production of livestock in that area through feed grain assistance and then, as part of that policy, we might encourage the production of feed grains in the area itself. Such a program would make much more sense to me than simply extending feed freight assistance to the area, probably encouraging farmers there to rely on production of feed grains grown outside their own area, which would be to their own detriment if, in fact, they could, if encouraged, become self-sufficient in feed grain.

The second point I have to make is this: if there is to be any stability in agriculture it is through diversity so that producers are not entirely dependent upon the market for one crop for their livelihood and to meet the expenses of their operation. If there were a feed grain production industry in the Northwest Territories, as I believe is possible, it would be capable of supporting a livestock industry. So, if markets or production turned out to be bad in any one year, producers would have a second source of income. On the prairies, for instance, if there is excess production of feed grains there is an alternative to exporting feed grains to a poor market or a glutted market. A healthy livestock industry means there is a method of marketing feed grains through livestock. This makes sense to me in terms of an over-all plan of encouraging over-all production in the Northwest Territories. If we could do it on more than one

front it would provide stability to the area and help it to become self-reliant.

There is another area I should like to touch on briefly. We have to be careful that we do not attempt to subsidize the production of everything we have some chance of producing in this country. When this bill was before the agricultural committee a couple of weeks ago I attempted to make this point. Somebody said, "What is wrong with Newfoundland having a beef industry?" Well, there is nothing wrong with that provided it could be done at a reasonable cost. But simply because the rest of the country has a beef industry seems no reason why Newfoundland should have one if it does not possess the resources or the land mass which are needed to support such an industry. I tried to point out that Manitoba does not have a deep sea fishing industry but that is no reason for us to attempt to establish one.

The problem with subsidization is that if it is done in such a way as to encourage production in areas of the country which are less efficient than areas where production is traditionally established, it hurts our capacity to produce in total. Therefore, as a country, we have less to distribute. Again, it seems to me we should be looking at this bill not only in terms of assisting the Northwest Territories to develop a livestock industry based on feed grains but in terms of the potential of the whole industry to become self-sufficient.

I should like to refer to a speech the Minister of Agriculture (Mr. Whelan) gave to the British Columbia Cattlemen's Association on May 23. I have to admit I agreed with what he said—sometimes we do, sometimes we don't. With regard to stabilization programs he made this point:

> British Columbia is a wealthy province with revenues derived from many areas besides agriculture. Right now, B.C. is stabilizing agricultural production and farm income at levels the less fortunate provinces simply cannot afford. When times are hard, British Columbia farmers will be able to survive and end up taking over markets lost by farmers in less wealthy provinces.

Earlier he made a point which it seems to me could have been made before the quotation I have just read. He proposed a solution to what I would consider to be a developing problem. He said that he remained committed to a policy of harmonizing stabilization in supply management programs across Canada and that this is essential to ensure the future of Canadian farm families in all of our regions.

● (2110)

I think both those points are important to emphasize, because when we subsidize the movement of feed grains off the prairies it means that with the movement of that feed grain we also take the production of livestock. If in fact the livestock we are subsidizing to be produced in other areas of the country can be produced on the prairies, in this case more efficiently than in the north, we are taking away production opportunities and therefore jobs and income from producers on the prairies, and I submit very strongly that that is where this kind of production is carried out the most efficiently in this country.

This relates somewhat to what is going on right now in western Canada in terms of the dry weather. It seems to me that we are going to be in very serious shape as far as feed supplies for our livestock industry in western Canada is concerned. We may well be in a situation where we do need some help on an emergency basis for our livestock industry in western Canada, and if what we are doing now is subsidizing and encouraging the movement of feed grains away from the prairies and hindering further the production of livestock on the prairies, it seems to me that we could be compounding the problem in terms of maintaining production where it has been done the most efficiently in the past in this country. That is something which I think needs to be looked at.

The minister makes the point that B.C. is a wealthy province away from agriculture, and I have to agree with him. When I look at the annual report of the Canadian Livestock Feed Board, which is the body charged with administering the feed freight assistance under this program, I see that British Columbia has received $4.5 million under this program, which is more than any of the other provinces or areas of the country have received under this program, and it seems to me to be inconsistent with a policy of maintaining equal opportunity across this country when we, as a federal government, can subsidize the movement of feed grains into British Columbia while at the same time the B.C. provincial government, by the minister's reckoning, has a very expensive and a very favourable stabilization program for agricultural production in the province of British Columbia.

That, to me, is something which needs to be addressed by a strong federal government, and I submit that if we are to have a strong federal government this is one of the areas which could be looked at. It is equally as urgent for us in western Canada as some of the grievances of the people of the province of Quebec.

When we talk about top loading, we simply mean that any stabilization programs which the federal government has are administered in most cases equally across the country. That provides a basic level of stabilization for the provinces. However, when we are looking at provinces like B.C., and I think in some cases the province of Quebec, if on top of this basic level of subsidization that the federal government has, the provinces then are able to come in on top of that and add their own incentives and encouragement to production in terms of provincial stabilization, we get a further distortion of the production patterns that we have traditionally had in this country. That seems to me to be a very serious matter in this country, and it is a growing problem which needs to be looked at.

The Canadian Livestock Feed Board, as I said, is the body which is charged with administering feed freight assistance. Several of my constituents have complained to me about the way the Canadian Livestock Feed Board is able to price feed grains off the prairies. In fact there have been cases recently where it has been equally as cheap for producers in eastern Canada to buy feed grains off the prairies as it has for our producers on the prairies. This is something again which we find very hard to accept. We need a healthy livestock industry.

The livestock industry in western Canada has traditionally been a buyer of close to half the grain grown in my part of the

country, and if we are going to subsidize the movement of that grain away from those areas of production, it means that the livestock sector in western Canada is going to be disadvantaged. This is not good, not only in terms of the country but also in terms of our ability to maintain a stable and healthy economy in western Canada. As I said previously, in my mind the key to having a stable economy is to have a diverse economy, and that means a healthy livestock sector which is able to take up the excess production when we are in times of good crops. Moving feed grains away from those areas with government assistance is not doing anything in terms of maintaining a stable livestock industry in western Canada.

While I wholeheartedly support the principle of this bill, because I realize that it is very expensive to live with high food costs in the Northwest Territories and the Yukon Territory, I would much sooner see this problem of high costs of food attached as an over-all policy whereby feed freight assistance would simply be one part of an over-all policy to encourage more efficient production in that area of the country. Again I have to emphasize the potential of that area to feed itself and, in fact, perhaps even to become a net exporter of certain agricultural products. This is something to which I do not think the present government has paid enough attention.

When it was my pleasure to be part of the previous government and to support the then minister of Indian affairs and northern development, he took it upon himself to see that some of these lands were brought into agricultural production. Had we remained in power, it is my understanding that the objective was to have some of that land in production for the current year 1980. To my mind that would have been an eminently sensible thing to have happen because it would have given that area of the country a chance to become a contributor to the country rather than simply a benefactor of a program like this which, if it is to be used—and I am sure it will—will simply make the production of livestock in the area dependent upon this kind of feed freight assistance.

Again I say that while I have no problems in supporting the bill, I would like to see the development of the north also a priority of this government, and I would also like this government to see that when it has subsidies and stabilization payments made available to different sectors of the economy that it is done in such a way that it does not distort the comparative advantage in the efficient areas of production in our country.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to make a few remarks on Bill C-15 with regard to feed freight assistance. The Canadian Livestock Feed Board was established in 1967. At that time a number of farmers in eastern Canada and British Columbia were having difficulty getting a constant and adequate supply of feed grains. In addition, they did not have sufficient storage facilities to store a certain supply of grain in case the transportation system was unable to deliver grain, especially during the winter months. So the Canadian Livestock Feed Board under the Feed Freight Assistance Act was established to do both things. It was established, first, to supply an adequate and available quantity of feed grains at an equitable price. That is where the subsidy came in. In addition, it was established to assist eastern Canadians, and to some extent British Columbia, in the building of adequate storage facilities to have those feed grains in place.

Western Canadians were producing large supplies of feed grains. At the same time we were a large producer of livestock, but we went along with this bill saying that there should be a livestock industry in all parts of Canada including the maritimes, eastern Canada and British Columbia. At that time the north was left out. We went along with that, saying we had more than sufficient supplies, and the amount of livestock in eastern Canada and British Columbia was not significant enough to cut into the production of those areas where we had a comparative advantage, and those areas where we were the producers of calves and the feeders of those calves to the slaughter stage. This was also the case in the hog industry and to a lesser extent in the poultry industry. However, over the years we found that this comparative advantage that we had, given the Crow rates, the "At and east" rates and feed freight assistance, was in fact detrimental to our livestock industry because it was becoming more reasonable to ship our calves to eastern Canada than to feed them in our areas due to the various subsidies that were being put in place. However, again it was of no significance to western Canada because we were maintaining our traditional levels, and nothing was said. But in the last number of years, that has been changing.

• (2120)

The reason it has been changing—it is difficult to argue with that reason—is that those other provinces wanted to establish livestock industries in their areas and become as close to self-sufficient as possible. I know that, taking the example of my farmers, they want to produce as much as possible. So, given the provincial top loading subsidies that are coming into place, particularly in the last number of years in Quebec and British Columbia, we are finding that more and more production is taking place in those provinces and, in fact, it is stealing away a livelihood which has been traditional in Alberta, Saskatchewan and Manitoba.

In the 1940s we had a third of the hog production in Canada; today we only have 12 per cent. We have lost a number of packing plants in a number of our western cities and, in fact, we now only have one major delivery point for hogs in Alberta, and minor points in Red Deer and in the Grande Prairie. We have only one large slaughterhouse in Saskatchewan—I believe it is in Saskatoon—and one delivery point in Manitoba, substantially down from what it used to be. Not only is that hurting our livestock industry but we are losing a great number of jobs in the slaughterhouse industry. We are finding that it is of great concern to people who have worked in that industry for 20 or 25 years and perhaps only have a few years to go to retirement but are now finding the slaughterhouses are closing down.

You cannot blame that entirely on feed freight assistance because, when you look at the assistance that was given at one

time when there was not much production in eastern Canada, you find that it was a substantial amount per hog or per steer. But now that the numbers are increasing so rapidly, if you look at the last figure for the assistance that is given the livestock producer in eastern Canada or British Columbia, you find that it amounts to 64 cents to $1 per animal. However, when you look at the total numbers, you find that about $4.5 million is being spent in assisting feed to Quebec, about $4.6 million goes to British Columbia, and almost $4 million to the maritimes. That is a substantial assistance for the livestock industry, and this allows for the comparative advantage to be lost in western Canada.

From talking to our hog marketing board in the province we find that they are very concerned about the loss of a substantial industry in our province. They are saying that the basic reason for that has been top-loading subsidies from the provinces, and when you add to that federal subsidies, it is almost impossible for our industry to compete because the large consumption areas are, of course, in Montreal, Toronto, southwestern Ontario and Vancouver. So we have to ship our livestock without subsidy, after slaughter, to those areas. Consider that a feeder in eastern Canada, given feed freight assistance, given support by provincial governments, and being at the area of consumption, has an advantage over us who, although we have a comparative advantage in feeding the animal in western Canada, must pay full freight to get the slaughtered animal into those markets. Besides that, for some reason which has never been adequately explained to me, there is always a 4 cents to 5 cents per pound difference between the price that an eastern Canadian farmer gets for an animal in markets in Toronto and Montreal and what he gets in markets in Edmonton, Saskatoon and Winnipeg.

If you add up all those factors, it is easy to explain why the livestock feeding and slaughtering industries in our western provinces are in jeopardy. What is the answer? Is the answer to do away with these freight assistance programs? Perhaps it is. If the federal government, under the leadership of the Minister of Agriculture (Mr. Whelan), were able to convince all the provinces to act alike in the way they treat their livestock industries and allow the federal government to deal with the subsidy programs that they consider to be necessary, then we would have no difficulty. But when you have these federal programs in place, and as well have provinces decide that it is their plan and their goal to become as close to self-sufficient in livestock as possible, and even beyond that, and that what we call their top loading programs are added to the federal programs, we find no alternative but to do away with these federal programs until the national government can sort this out. The only other alternative for farmers in western Canada is to ask their provinces to get into the same game. When you have province competing with province on subsidy programs, you can understand the dilemma we face.

The only other opportunity available to us is the export market in western Canada. Here is an area in which the federal government is not prepared to take leadership, as I think it should. The federal government could become very active in finding other markets for western livestock in order to keep our comparative advantage in the production of livestock. There is a potential there. The population of the world is growing rapidly and the capacity for growing food is not growing as rapidly as the population. As we look into the late 1980s we can expect—and many scientists assure us of this—that it will be more difficult than it is at present to produce adequate amounts of food to feed the world. So we should be looking for more export markets for the livestock we are growing in western Canada.

With regard to the extension of feed freight assistance to the Yukon and the Northwest Territories, I think this is a harmless bill. There are probably only about 200 head of cattle in the Yukon and probably not many more in the Northwest Territories. I can understand the governments in those areas wishing to have the same advantages as other parts of Canada have.

So while I have great difficulty in supporting feed freight assistance as a proposal, I can see the justice of supporting this bill, given that this feed freight assistance is in place and has been operating for a number of years. That is why I give my reluctant approval to this bill.

I understand that the potential for agriculture in the Northwest Territories and the Yukon is there. As was mentioned by other members, there are some 3,000 to 4,000 square miles that have the capacity to produce hay and grain, probably not grain for sale but grain for forage for the production of livestock. Maybe there is a possibility for expanding agriculture in those areas, the greatest potential being in the cattle industry because the lack of capacity for drying hay and the short frost free periods would make it difficult to produce much in the way of feed grains or wheat. So, if we can establish, through this bill, a livestock industry of some sort in the Northwest Territories and the Yukon and get farming going there, that will be fine.

● (2130)

Before concluding I should like to say that I am surprised the Minister of Agriculture is not in his place to listen to the problems we are having with this bill. Many important suggestions have been made by members tonight, so I hope he reads the debate very carefully. Also, I hope he will understand our concern for the depleting livestock in western Canada. When we called for a stabilization price, we were very concerned that it took a number of months to get the statistics in place to allow a stabilization payment. It amounted to very little; it will not assist hog farmers. Alberta provincial government assistance has been required, but it has only been in place for a year. Hopefully the Minister of Agriculture will give the necessary leadership in a country as great as ours to ensure some justice in the subsidy programs which a number of provinces are putting into place.

Hon. Jake Epp (Provencher): Mr. Speaker, in considering Bill C-15 I intend to take a few minutes to place in front of the government some of the views of my area of Canada regarding

the Livestock Feed Assistance Act amendments before us today.

There have been two dominant principles in Canadian life in terms of federalism. One is sharing, and the other is regional advantage. Every area of the country accepts the concept of sharing with other parts of Canada. But when it comes to the concept of regional advantage, and when we take a look at the manner in which the country is constituted, it is obvious there are regional advantages in western Canada relating to the growing of feed grains and the livestock industry. To some degree that regional advantage has been eroded through legislation passed some time ago, namely, the Livestock Feed Assistance Act. The hon. member for Wetaskiwin (Mr. Schellenberger) made the point very well when he showed clearly that the concept of eroding regional advantage should be seriously examined and that possibly this is not the time nor the bill to do it with, even though he supported the amendments.

I have been concerned for some time about what has been happening. Through the national marketing boards, and legislation such as the Livestock Feed Assistance Act, to some degree we are balkanizing one region against another. Through the top loading of provincial programs on top of federal programs, a number of provinces have now made a decision to become self-sufficient in the production of hogs, turkeys or broilers. They are doing this to a great extent because of the advantages they now have from the National Marketing Board through national allocations for their provinces and the feed freight assistance they receive. So that comparative advantage is lost in those areas where the feed has been grown. Additionally it has repercussions for industries related to agriculture.

For years and years in western Canada we have been saying that we should process to a greater degree the agricultural products we produce. Also for a long time we have said that freight arrangements, which allow for the movement of unprocessed or semi-processed food stuffs from west to east, are much lower than when we buy back the finished product. Every western Canadian province has experienced the closing down of plants that have large killing floors and killing operations. This happened in Winnipeg with the closing of Swifts and the loss of 600 jobs. Because of comparative advantage and the fact that costs are the lowest in western Canada, we think that is where production should take place so that western Canada will have the benefit of the related jobs in the agricultural community.

At this period of time when we are facing severe drought in many parts of western Canada, we find it somewhat surprising that the federal government is concerned about this type of legislation. Yet we saw the Minister of Agriculture (Mr. Whelan) coming forward just a few days ago with a program for $7 million of assistance to alleviate the consequences of the drought. The $7 million is to take care of the situations in the provinces of Saskatchewan and Manitoba. If one looks at the consequences and the large effect of drought, $7 million does not seem to be a lot of money. I did not think I would ever stand in my place saying that $7 million was not a lot of money, but the fact remains it is just another example to western Canadians that this government does not have any appreciation of their ability to produce foodstuffs and that they should have that comparative advantage; but when they run into difficulties they are not given the same consideration as other regions of the country.

I indicated that I would be brief, but lastly I should like to refer to the agricultural potential of the north. The government in its previous incarnation put a freeze on agricultural development in northern Canada. Previous to our government taking over last year, there were a number of representations from farmers in the Yukon and the Northwest Territories that agricultural land should be opened up. The government through its actions continually demonstrates to those of us who have a special interest in Canadian development north of the sixtieth parallel that it simply does not understand the desire of the residents of the Yukon or the Northwest Territories to develop the natural advantages in those areas. The government just does not seem to understand. In fact I have come to the conclusion that the Prime Minister (Mr. Trudeau) developed his vision of the north back in 1954 when he paddled up the Teslin River and thought that area of Canada should remain pristine, pure and beautiful for those who wanted to escape the concrete jungles of the cities in the south. He developed the vision that that is the way the north should remain.

I cannot impress enough upon the government that it must change its view of the north. The government keeps on saying that it is not ready to do it because native people are not ready for the development. My experience is just the opposite. The native people wanted to take advantage and be partners in that kind of development. Some of their leaders did not want to because they saw a personal advantage as long as these things were strung out. But the average people living in hamlets have quite another story. They wanted to take advantage of their natural resources, whether it be in agriculture, mineral or oil development. There is no way one can run from those facts because that is how it is.

When we came into government we met with a number of farmers who were trying to struggle along with lease arrangements. It is almost a beg, borrow and steal operation; they are trying to keep going. These people are very independent. I know farmers by nature are independent, but these fellows kept on working under tremendous adversity, the greatest of which were the regulations of this government and its federal bureaucracy in those areas. They keep on struggling and they hope lightning will some day strike this government and they will be able to get land, which the rest of us take for granted. That is all they are asking, for the same opportunity. In fact 100 years ago immigrants were able to come to this country to homestead, and there are people in the two territories who do not even have those opportunities in 1980. It was our plan for the summer of 1980 to start opening land with a comprehensive program that would get the land into agricultural production.

● (2140)

In fact we had more agricultural production at one time in the north than we have today. All one has to do is look at some of these communities and their truck farming, or gardening, and it will be obvious that the long days obviously lend themselves to the production of fresh vegetables in the area. All one has to do is go into the stores and look at the prices. Obviously there are advantages, yet I do not believe as I stand that this government here has caught that vision at all. Members in the government see the north rather as an area where, through regulations, they control its development and the people who live there.

I share the views of the hon. member for Wetaskiwin in supporting this legislation which will include farmers in the Yukon and the Northwest Territories, but I do not think it addresses a fundamental principle which this House should address. It does not address the regional advantage that should and does exist, for instance, in the production of livestock and feed grain. This should not be eroded, and there should be no reciprocal action with other industries being placed in those areas which have lost their regional advantage through federal legislation.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to speak in support of the feed grain assistance proposal before us, not because I think it will make any great change in the life of the people in the Yukon and the Northwest Territories, nor because I think it is an important breakthrough, but simply because it puts people in the Northwest Territories and the Yukon in a similar position to farmers in the rest of Canada. For reasons of equality we support this bill, though we are very much aware that the proposal will not make any great change in the agricultural output of the Yukon and Northwest Territories.

This is not because there is not potential there, because there is. As has been mentioned, the area has in the past produced its own food for a population of somewhere between 25,000 and 40,000 people. The main impediment to the development of agriculture in the Yukon and Northwest Territories now is not so much the lack of feed grain assistance, the provision of which I contend will make virtually no difference to the development effort there. In fact this may be of some detriment to those producers who are attempting to produce oats and barley now. However, it will provide some back-up for them in the event that frost wipes out their crops. They will know that assistance from the rest of Canada is available and they can bring in feed if they have been developing their livestock industry, making use of locally grown feeds.

Probably the main impediment to the development of agriculture in the territories is the lack of speed that has been evident in the settlement of land claims in that part of the country. The original peoples and the Government of Canada have been taking part in long drawn out negotiations. If agriculture is to become important enough to provide food, making the area more or less self-sufficient, that is the first thing that has to be solved. I am not suggesting that the settlements should be other than fair, but there should perhaps be a little more effort made in negotiating these land claims in order to settle them so everyone knows who will be holding the agricultural land, or the land that has agricultural potential.

We know that land which once grew crops is growing up with trees. We know the climate is adequate for the growth of a large variety of vegetables, many varieties of oats and barley, and a number of forage crops, including several types of hay and alfalfa. These things can be grown in that part of the north and could be used to assist in the development of the local economy.

There are a lot of problems in establishing agriculture in any new area. I myself am only two or three generations away from the development of what was once a heavily timbered part of Saskatchewan. I know the problems the farmers of the Yukon and Northwest Territories will be facing are not the kinds of problems faced by farmers in those areas where agriculture has been developed.

Mr. Nielsen: Have you ever been there?

Mr. Althouse: No, but I know from looking at the geological soil maps and the climatic conditions that it is not much different from where I am located, where there is about a ten-day greater frost-free period, with the rest of the conditions, including soil and climate, being very similar. There is a little more sunlight, but otherwise the possibilities are there, given some changes in the question of who owns the land and who has the right to develop it.

Mr. Nielsen: Be my guest and come up this summer.

Mr. Althouse: Okay, will do. I think one of the things we perhaps pay too much attention to in agriculture is the development of what we try to call viable farms as opposed to subsistence farms. Perhaps we have been spending too much of our efforts in agricultural policy in this country in the past 40 or 50 years dealing with the farms and the areas, and not enough in dealing with the farmer. We have seen areas developed after a couple of generations that were supposed to be areas of subsistence farming. We find that rather than an area being suitable for subsistence production, a class of farmer has learned to use the land and the resources to very good advantage. Perhaps what we should be considering, instead of classing certain areas, writing them off as areas where only subsistence farming can take place, is the development of all the resources, thinking particularly of the farmer.

Farmers have a number of special requirements when they go into new areas. Many of these things they take with them. Most people who move into that type of agriculture take with them a great amount of initiative and an ability to adapt. They know how to make things grow out of nothing. They spend a lot of their time clearing and developing the land, putting up buildings and adapting equipment. Very often the general equipment available for farming does not work well in new areas where you have to tear down the trees, tear up the land and make it suitable for crop production.

These farmers do not have the back-up of an established agricultural community such as those that exist in established agricultural areas. They do not have the parts available, they do not have the equipment manufacturers, and they do not have the technical back-up which is available in the rest of Canada. These people are pretty well out on their own, not only fighting the weather and the geography, but also having difficulty with markets.

These farmers in the north have to develop their own markets, and some of the markets appear to be there. People are consuming goods and paying very high prices for food. The potential is there, but there has to be back-up from the rest of the country. These people have to know that if their crops fail feed can be brought in. This change in the legislation will allow that. The farmers also have to know that there are programs such as crop insurance to offset the violent disruption a total loss can have to a beginning or even an established farm. Producers must know that there are stabilization programs available to protect them from the vagaries of the market. Even though one might farm in an isolated area, the ups and downs of the market in the rest of the country or in the rest of the world filter into those isolated areas and affect that farm operation just as much as if it were out in the mainstream of the marketplace.

● (2150)

As well as these forms of assistance provided by government, the producer must have available to him some form of intervention on the part of government. Sometimes it may be on the producer's behalf, as, for example, in the form of passing certain powers on to the farmers as groups to offset the monopoly or near monopoly situation which all farm producers face when they deal in the marketplace, either as buyers or as sellers. It could be in the areas of purchasing equipment, fertilizers or farm input or, on the other hand, the producer could be trying to sell some of his products. In either case the people he faces in the market place are usually very large enterprises and concerns that operate in a near monopoly situation. As a small competitive producer, the farmer is virtually at the mercy of these enterprises unless government allows farmers to stand together either in the form of co-ops or as marketing boards.

To sum up, we agree that the proposal before us tonight should go through. We recognize, as I am sure do all hon. members, that this bill will not change the agricultural situation in the Yukon and the Northwest Territories and that it is merely cosmetic. We say again that the land entitlement question must be settled soon. We say again that the technology and the expertise of the farmers in the area must be improved upon and developed. We say again that market structures for farmers which are operated by farmers must also be provided if they are to be viable operators in that part of the country or in any part of the country.

We would also like to reiterate that back-up support from the government is necessary in situations which exist not only in the Northwest Territories and the Yukon but also in the rest of the country, because farmers need assistance in the form of crop insurance and in the form of stabilization programs when the market goes up or down drastically, which it very often does in agricultural production. In this case we need the movement of feed grains when required in this region of the country as in the other regions of Canada.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I rise to speak on Bill C-15 with regard to its direction and its importance as it relates to the Yukon and the Northwest Territories. I have noticed something which I think is most important while in the agricultural committee, and that is the understanding and direction given by farmers from all parts of Canada, whether they are from the Northwest Territories, Saskatchewan, Alberta, Quebec or Ontario. Canada could learn a lesson from agriculture.

I am very pleased to speak on the passage of this bill because I realize how important it is to the people of the Northwest Territories and the Yukon in terms of production. There has been a lack of vision with regard to the north since the years of the Right Hon. John Diefenbaker, who had a very bright vision of the Northwest Territories and the Yukon. We have not taken the time to visualize the potential of this great area of Canada.

It is most important at this time that we give speedy passage to this bill to ensure that there is an opportunity for production in this area. It is something which is very important, not only to agriculture but to every facet of Canadian society today. While the movement of feed grains is important to the North, I would like to relate it to some problems which we have experienced and are experiencing in Saskatchewan now with the drought situation there.

As you know, Mr. Speaker, Saskatchewan is experiencing a drought, particularly in eastern and central Saskatchewan and in the greater part of Manitoba. It is most important that we learn something from the experience of the movement of feed grains. I am somewhat sorry to see that the Minister of Agriculture (Mr. Whelan) is not in the House to hear this debate tonight. I think we will face some very serious problems in the area, not only with regard to the movement of feed grains but with regard to subsidizing to maintain the breeding stock on the livestock farms. This is most important to livestock farmers.

Just this past week I had a chat with an older farmer in my riding. He indicated that livestock farmers over the last six years have been through a tremendously serious situation. He said, "If we are forced to sell our livestock again, we will not be back in business". It is very important that the government and the Minister of Agriculture take a look at this point not only with regard to the transportation of feed, but with regard to the tremendous cost of feed today. I understand that the cost of feed ranges from $2.50 a bale to $5 a bale. If one calculates the cost of maintaining a herd at those prices, obviously it is much cheaper to sell the herd.

It is important that the government develop policies in terms of maintaining the breeding stock on the prairies, in light of

this extreme drought they are presently facing there. In concluding my remarks, I look particularly to the Northwest Territoires and the Yukon for production which is so necessary to the agricultural community and for all of Canada. We must take heed of the lesson that we look to methods and direction of incentive being given to people to produce, in whatever facet of society it may be, particularly as we relate to the agricultural community this evening. Therefore I recommend that we pass this bill because, as I understand it, it will certainly help our farmers and producers in the Northwest Territories and the Yukon.

Motion agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—PROCESSING OF RESOURCES NEAR SOURCE—POSSIBLE RELOCATION OF SARNIA COMPLEX

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, on June 6, 1980, the Minister of Energy, Mines and Resources (Mr. Lalonde) reaffirmed that the reason for the government moving the Eldorado Nuclear Plant from Port Hope to Blind River was to permit raw resources to be processed near their source. He has earlier indicated that the government was prepared to spend millions of public tax dollars to achieve this policy.

On June 9, 1980, I asked the minister when, under this enlightened policy, the government would be moving the huge Sarnia petroleum complex with its thousands of jobs and its millions of barrels of oil that it receives from Alberta, to the province of Alberta. The minister's reply was to laugh and to state that the policy applied only to a "planned or projected installation, not one that existed at the time". That smart alecky reply from the Minister of Energy, Mines and Resources concerning Alberta's resources is typical of the total insensitivity of this government to the legitimate concerns of Albertans.

● (2200)

Because of the seven-minute time limit on my remarks I will attempt to convey my deep concern about growing western support for separation. Leading citizens in droves are joining the western separatist party.

First, Eldorado was moved for nothing more than patronage, to a constituency held by a cabinet minister. That is an immoral act, because the policy does not apply across the whole country.

Second, the government is prepared to pay $35 per barrel for Mexican oil but only $14.75 to the people of Alberta for their oil. That is 39 per cent of its value. The money being exported to Mexico increases our national deficit and gives Mexico the jobs. Just think of the thousands of jobs there would be for Canada had the government adopted the Progressive Conservative policy of self-sufficiency and funnelled the money through Alberta.

Money paid to Alberta is immediately recirculated through the entire economy. The benefit to central Canada is immediate due to the purchase of technology, pipe, engines, turbines, cars and trucks. Money going to Mexico is lost forever. Surely supply is much more important than price. Under the Clark-Lougheed agreement the whole range of such price, supply and recirculation of money was covered. For instance, the price was staged over several years. This would add billions to the $17 billion that Albertans have already forgone. The price would never exceed 85 per cent of the U.S. price.

Another way of saying this is that central Canada's industry would always have a 15 per cent competitive edge over its U.S. and the world competitors. Natural gas would be priced at 85 per cent of the price of oil, and for a period of five years at a rate of 65 per cent, in order to encourage conversion. This means that Albertans would pay for that conversion. Alberta would pay the cost of transportation to Quebec City. Alberta would fund the development of at least five alternate energy plants in other provinces. Just think of the jobs that would mean in those provinces.

Alberta would fund the immediate development of more tar sands plants in that province which again would mean thousands and thousands of jobs. As well, Alberta would bear the entire cost of the roads, schools, hospitals and the other amenities following the development of those tar sands plants. Alberta would also bear the cost of the social dislocation involved in building these plants.

The fact is clear that Canada is not self-sufficient in oil. We now import about 450,000 barrels per day at the world price. By 1985 this will amount to over 600,000 barrels per day. It is also a fact that the conventional Alberta oil fields are beginning to lose their production capacity at a frightening rate. Only a few short months ago the rate of production was two million barrels per day, but today it is only 1.4 million barrels per day. Many wells have now been inundated by salt water.

The solution is to co-operate with Alberta, not attack it. My most bitter disappointment as a new member of this House is the total cynicism of the government—the attitude of holding power and retaining power at any price—lies, deceit, misrepresentations—anything to hold power.

The Minister of Energy, Mines and Resources was barely settled in his office when he invoked a force majeure clause to renege on a signed agreement setting the price for syncrude oil. This act of betrayal throws real uncertainty into the industry about the worth of the government's word.

● (2205)

The Minister of Energy, being from Quebec, should understand that Alberta's attachment to its resources is equally as real as the attachment of Quebec for its language and its culture. It is ironic that on almost the same day that the Minister of Defence (Mr. Lamontagne) was doling out $4 billion to Ontario and Quebec, the Minister of Transport (Mr. Pepin) was reneging on a signed agreement concerning Prince Rupert, an act that almost blocked the proposed terminal at Prince Rupert and therefore prevented Albertans from exporting their grain.

No doubt hon. members will recall the time in 1974 when the then minister of energy reneged on another written agreement concerning natural gas. He stood in this House a mere 24 days after signing that agreement and reneged upon it.

Another example is the unilateral reneging by this government of an electrical utility rebate statute, which therefore increases the price which Albertans, and only Albertans, pay for their electricity.

Our whole system of agreements, contracts and justice work only if you can trust another person's word. Clearly, the Canadian people cannot trust the word of the present Liberal government and this reality, more than any other, will force Alberta out of confederation.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on June 9, the hon. member for Lethbridge-Foothills (Mr. Thacker) asked when the government would be announcing the movement of the entire Sarnia complex to Alberta. Apparently he was making an assumption that the government's policy to locate processing plants near resources, when feasible, would apply to existing facilities.

I would like to reiterate the response made by the Minister of Energy, Mines and Resources (Mr. Lalonde) that the specific case of the decision to locate the new Eldorado refinery at Blind River rather than at Port Hope related to a new facility and not to one that existed at the time the decision was taken. The principle that a plant should be located in proximity to the resource that it serves will be a prime factor in making a location decision. Another factor, of course, is the location of the plant in relation to the market it serves.

In the case of a uranium refinery, the product can be shipped economically over fairly long distances, whereas the large volumes of petroleum products produced in petroleum refineries, or from associated petrochemical plants, are generally more strongly market-oriented. The products produced from the refineries and petrochemical plants in Sarnia are marketed close by in southwestern Ontario. It is more economic and efficient to move the crude oil by pipeline from western Canada for processing at that site rather than to move a variety of petroleum products over long-distance pipelines or railway routes.

This is not to say that all large-volume products should be produced in the immediate vicinity of major markets. In Atlantic Canada, offshore oil and gas developments will, under the government's policies, stimulate new industries and jobs in that region. The government will also encourage diversified development in western Canada where resource wealth is already a strong magnet for investment.

The determination to support industrialization of the west is a continuation of a national policy that has been supported for many years. The activities of the Wheat Board, the grain equalization fund, the prairie farm rehabilitation programs, the programs of the Department of Regional Economic Expansion, the federal investment in Syncrude, federal manpower training programs, federal incentives for oil exploration and mining, are all examples of activities that have played a significant part in the resurgence of the west. One of the latest examples is the decision by Petro-Canada to plan for the construction of plants in the oil sands area of northern Alberta in a joint venture with the Alberta Gas Trunk Line Company.

● (2210)

The government's policy of encouraging the location of new processing plants in the vicinity of resources is a further step in the direction of regional diversification, and in particular, of helping those regions that need new developments most. In this respect, the location of the Eldorado refinery at Blind River is one example of how this policy can be beneficially implemented.

EMPLOYMENT—REINSTATEMENT OF OUTREACH PROGRAM—RESTORATION OF FUNDS FOR 12 PROJECTS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I raise tonight very serious concern about the future of Women's Outreach projects and hence the very future of many Canadian women entering or re-entering the labour force.

The minister responsible for employment and immigration stated in the House on June 3, in response to a question of mine, that funds to Outreach have been restored and that projects cut by the previous Liberal government are being reinstated. I am concerned that this reinstatement is not actually taking place and that women's Outreach projects are again being subjected to unnecessary bureaucratic wrangles, as well as being expected to meet unfair, unrealistic, and irrelevant criteria.

Let me cite one example as reason for these doubts. On May 26, just days before the minister announced the restoration of Outreach funds, the Director of Employment and Immigration for the Manitoba region, Bob Morin, told one of the ten remaining women's Outreach projects in all of Canada that it need not apply to renew its funding. This project, Affirmative Action Outreach of Winnipeg, was told that there was no point in resubmitting an application because "no regional affirmative action program has yet been defined." Curiously enough, this was admitted even though the Affirmative Action program sponsored by the Department of Employment and Immigration is three years old with a national budget of roughly $360,000, and 12 to 18 regional officers. Although this budget is clearly not enough, it is strange that an Affirmative Action

strategy for the entire province of Manitoba has not even been defined.

However, my primary concern tonight is that this Outreach project is, at worst, facing a total cutback or, at a minimum, months of red tape, cataloguing, evaluations, reviews, reports, and countless battles with departmental officials who do not understand the need for women's employment services let alone the need for affirmative action.

This Manitoba project is a microcosm of the entire Outreach program established in 1974 which has had a very difficult and rocky history—and for that only the Liberal governments, past and present, can take responsibility. Let me mention just a few of the problems:

1. In 1978, it was declared that "women" and "youth" were no longer a priority or special needs target of CEC or Outreach. This began the cutbacks which reduced the 22 projects to 10. This occurred despite the fact that of all the special programs established by CEC which could particularly benefit women, Outreach had the greatest potential.

2. Opposing cutbacks and pleading for additional funds has been a tremendous waste of time for Outreach workers. Since 1978, the New Democratic Party has defended the right to exist of many Outreach projects and raised questions in this House about cutbacks to AWARE in B.C., Women in Society Today, in Saskatchewan; Womanpower, in London; Times Change, in Toronto; Womens Career Counselling Service, in Ottawa, and now, Affirmative Action Outreach in Winnipeg.

3. Outreach projects are mistakenly considered to be placement offices and are therefore evaluated on a purely statistical basis. While many Outreach projects have higher job placement rates than Canada Employment Centres, their purpose is much broader. They specialize in providing in-depth supporting counselling and assertiveness training; they work to change attitudes and hiring practices of employers, and they help women to help themselves by providing support services as well as information on educational and vocational opportunities.

4. Reviews of Outreach projects are carried out, often in secrecy, by CEC officials who have negligible contact with the projects, are unfamiliar with the special needs of women, evaluate projects primarily on a cost-benefit basis and wrongfully compare Outreach services to those of CEC.

● (2215)

I hope that my doubts about the new minister's renewed commitment to Outreach are unfounded. I would therefore appreciate receiving answers to the following questions. First, of the 12 women's Outreach projects cut back by the Liberal government, how many have resubmitted applications and how many are being reinstated? Second, what portion of the $9.7 million which the minister says has been allocated to Outreach will go toward women's projects? Third, will the funding for Affirmative Action Outreach in Winnipeg be continued? Fourth, what criteria are being applied in the evaluation of both new and existing programs? Fifth, are all of the minister's officials aware of his intentions to restore Outreach funding and of his apparent commitment to special employment services for women?

I urge the government not only to make good on its promises but also to work toward an expansion of this necessary service. At a minimum there should be one women's Outreach project in every Canada employment district. Such a program is central to the development of any employment strategy for women and the key to removing the economic and sociological barriers faced by women in their search for decent and rewarding employment.

[*Translation*]

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in 1977-78, there were 22 Outreach projects categorized as women-oriented projects. Of that number, only 17 in fact provided services exclusively for women. So, to meet the situation, five projects were restructured to orient them toward more appropriate target groups, in this case people nearly always unemployed, inmates and former inmates, isolated communities. I point out that out of the five projects, four are continuing.

There are now 14 Outreach projects offering manpower services exclusively or principally to women and thus falling in the category of women-oriented projects.

Furthermore, we are now considering another project for women in Truro, Nova Scotia, which would bring the total of projects in this category to 15. The hon. member asks if those projects will continue. The answer is yes, until the Canada Employment Centres in each of the communities where a women-oriented Outreach project is ongoing can efficiently provide the necessary services. This is one of the basic objectives of the Outreach program: the integration of experience and acquired skills and, one day, the takeover by the local CEC of the services being provided. In this way, we get the most out of even the most modest amounts.

To extend the Outreach projects, there must therefore still be a need for the services provided, the objectives and the contract commitments must continue to be met, and Parliament must continue to authorize the funds required. I mentioned earlier the basic relationship between the Outreach program and the CECs. I should add that women's Outreach projects are not the only means available to the commission to provide employment services to women. Indeed, since 38 per cent of manpower counsellors in the CECs are women, there is no reason to believe that—

Miss Jewett: It is not the same!

Mr. Bockstael: —there is no reason to believe that women who prefer to deal with a woman counsellor cannot do so. Moreover, more that 42 per cent of the users of the Outreach program are women, because those women who cannot make effective use of the CECs can benefit from the services of an Outreach project as much as men.

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

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

HOUSE OF COMMONS

Wednesday, June 18, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

SHEEP CONTAGIOUS DISEASES—COMPENSATION FOR FARMERS AFFECTED—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that many sheep owners in the maritime provinces are losing sheep to two contagious diseases, enzootic abortion and pulmonary adenomatosis, and in view of the fact that all the affected sheep were purchased from, or have been in contact with sheep from two government-run importation groups who kept the sheep in quarantine for three years, and it is only after the sheep have been dispersed to the Canadian public that these diseases have been confirmed, and in view of the fact that the same virus that causes enzootic abortion in sheep causes it in cattle, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House instruct the Minister of Agriculture to immediately launch a full scale investigation into this matter so that farmers who purchase sheep for the purpose of improving their stocks will be protected from purchasing diseased sheep and compensated for those already purchased.

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

Some hon. Members: Agreed.

Some hon. Members: No.

SALE OF BRITISH COLUMBIA WINES ON AIR CANADA FLIGHTS AND IN PARLIAMENTARY RESTAURANT—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise, under the provisions of Standing Order 43, to urge the unanimous support of the House on a matter of importance and pride to citizens of British Columbia.

In recognition of the recent wine critics' acclaim of Penticton's Casabello Fleur de Blanc wine, and in recognition of the fact that other superb wines vinted from specially selected sunny Okanagan grapes are available from wineries of British Columbia, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That these superb British Columbia wines be served on Air Canada flights and in the parliamentary dining room as a means of furthering better east-west relations within Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Pierre said "No".

* * *

HOUSE OF COMMONS

SEVENTY-SECOND BIRTHDAY OF HON. STANLEY KNOWLES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Considering that today is the seventy-second birthday of the hon. member for Winnipeg North Centre—

Some hon. Members: Hear, hear!

Mr. Broadbent: —I assure hon. members he had nothing to do with this motion—and in view of his 34 years of distinguished service not only to this House and to his constituency but to all Canadians, I move, seconded by the hon. member for Yellowhead (Mr. Clark), who named the hon. member to the Privy Council last fall:

That this House congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) on his seventy-second birthday today, for his years of service, and asserts that we look forward to at least another 34 years of devotion, decency and dedication.

Madam Speaker: Does the House agree to this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

BANKRUPTCIES

PENDING COLLAPSE OF MARITIME AGENCIES LTD.—ACTION TO AVOID—MOTION UNDER S.O. 43

Hon. Ron Huntington (Capilano): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of truly urgent and pressing necessity concerning the pending and

unnecessary bankruptcy of a successful Canadian trading firm employing 11 people in Montreal and 28 people in Vancouver.

Because of the inability of the Department of Supply and Services to honour a firm contract it made with the transportation contractors for the carriage of aid wheat from west coast Canadian ports to Bangladesh, all because of a bureaucratic entanglement involving the Department of Supply and Services, CIDA, the Canadian Wheat Board and the Department of Justice, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of Justice, the Secretary of State for External Affairs, the minister responsible for CIDA, the minister responsible for the Canadian Wheat Board, the Minister of Supply and Services and, if necessary, the President of the Treasury Board, call an emergency meeting with their officials and out of that meeting give an assurance to Maritime Agencies Ltd. that past due damages in excess of $450,000, and a commitment to Maritime Agencies Ltd. on substantiated costs due to lack of grain being delivered to the port on present contracts, will be forthcoming immediately, in order to prevent an unnecessary bankruptcy with loss of jobs and subsequent action against the Crown by creditors.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

ENVIRONMENTAL AFFAIRS

POLLUTION OF FISH—DISCUSSIONS WITH UNITED STATES TO ALLEVIATE PROBLEM OF ACID RAIN—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Given the fact that due to environmental pollution, sports fishermen are being warned not to eat the fish they catch out of certain lakes and river systems, that aside from this problem certain lakes and other bodies of water are being stripped of all aquatic life by acid rain, and because of the detrimental effect this will have on the tourist industry of Canada, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That this House urge the minister responsible to do all he can in ongoing discussions with American authorities to impress upon them our deep concern in this regard and to urge them most strenuously to take all proper action to avoid the proliferation of this problem.

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

Some hon. Members: Agreed.

Some hon. Members: No.

SOCIAL SECURITY

REQUEST PRIORITY GIVEN TO SIGNING INTERNATIONAL AGREEMENTS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in view of the fact the Canadian government is actively negotiating international tax treaties with dozens of countries throughout the world, while the negotiation of social security agreements with many countries flounder for lack of clear government commitment and priority, I move, seconded by the hon. member for Dauphin (Mr. Lewycky):

That this House urges the government to make the signing of international social security agreements a top priority, in order that Canadian citizens and the parents of Canadian citizens are not prejudiced from being reunited with their families by the lack of such agreements.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INQUIRY THE MINISTRY

FORMER NDP LEADER APPOINTED TO BOARD OF HUSKY OIL—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise, under the provisions of Standing Order 43, regarding a matter of urgent and pressing necessity.

Announcements appearing on the financial pages of major Canadian newspapers indicate that the former leader of the socialist New Democratic Party, the Hon. Tommy Douglas, has joined the board of directors of the capitalist Husky Oil company. In view of the fact he has become a "Texas buccaneer" and a "corporate welfare bum", I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the words of that popular and well-known union song be amended to read:

"The working class can damn my brass,
But I've got the job with Husky Gas."

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

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL RESOURCES

GOVERNMENT INVOLVEMENT IN SALE OF BRITISH COLUMBIA COAL TO JAPAN—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I, too, rise under the provisions of Standing Order 43. Whereas Senator Perrault stated that the Canadian government is

committed to "massive involvement" in the proposed sale of coal from northeastern British Columbia to Japanese interests, and whereas this coal deal would be one of the biggest sell-outs in Canadian history, this being the first time Canadian taxpayers would be actually subsidizing the export of non-renewable energy resources, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That this House condemns the government, and Senator Perrault in particular, for assisting the government of British Columbia in this shortsighted policy, and instructs the Standing Committee on National Resources and Public Works to hold immediate public hearings on the financial implications of the deal.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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SOFT DRUGS

REQUEST FOR TABLING OF STUDIES RELATED TO MARIJUANA—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the Department of National Defence expended $74,990 on studies related to marijuana, and whereas the departments of Justice, Consumer and Corporate Affairs, Agriculture, and the Environment indicated no expenditures for such studies in the last five years, I move, seconded by the hon. member for Malpeque (Mr. Gass):

● (1415)

That this House direct all ministers to table forthwith copies of all studies in the possession of their ministries related to marijuana, so members can study and consider them before pending legislation on the subject is introduced in the House.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

IMMIGRATION

REQUEST MINISTER CONSULT HAITIAN ASSISTANCE SERVICE TO ASSESS COMPLAINTS—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Since the leaders of the Haitian assistance service in Montreal fear that among the approximately 2,000 Haitians who are in Quebec illegally, a few could do something desperate to avoid deportation to their country of origin, the leaders of the assistance service feel that the screening by immigration officers at Dorval and Mirabel amounts to a form of persecution and racism towards those Haitians, following an official request made to the right hon. Prime Minister of Canada (Mr. Trudeau) for the sake of human dignity, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the House unanimously invite the appropriate minister to meet with the leaders of the Haitian assistance service to assess the complaints the leaders have formulated and to make the necessary changes for the good reputation of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

SOCIAL DEVELOPMENT

MEASURES TO PROTECT CANADIANS WITH REGARD TO INCOME TAX

Hon. David Crombie (Rosedale): Madam Speaker, my question is addressed to the minister of state for social development policy. The minister will know that the inflation rate in Canada is now at about 9.4 per cent. He will also know that yesterday Statistics Canada indicated we were beginning a cyclical downturn and would be experiencing an economic recession in this country. Indeed, it is being said, as the minister is aware, that both the United States and Canada are headed for a double-digit situation in respect of all three fundamental economic areas—unemployment, interest rates and inflation.

In the midst of all that, what gives me great concern—and this relates to my question—and what gives great concern to many Canadians is the announcement by the Minister of Finance that he wishes to de-index income tax rates. The minister for social development policy well knows the devastating effect that de-indexing of income tax will have on low-income Canadians. I would ask the minister whether he has any initiatives at all he would like to bring to bear so that Canadians will continue to have protection with regard to income tax.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think the

question asked by the hon. member relates to matters concerning the budget. I do think that the Minister of Finance, when he presents a budget, will be dealing with this problem. The indexing does exist today, and when we have a budget we will know what will happen.

I do not know the intention of the Minister of Finance with regard to these things, but I will take the comments of the hon. member to the minister and when we have a discussion on this I will raise the matter.

Mr. Crombie: Madam Speaker, the Minister of Finance has made quite clear what he intends to do: he wants to consider the question of de-indexing income taxes. My question to this minister relates to his understanding. I know he understands the effect this will have on Canadians: indeed, for those who earn $10,000 a year the effect will be a loss of $156 each year, amounting to $896 over five years, at current rates. This will be money right out of their pockets and it will result in their inability to provide food and clothing.

An hon. Member: What is the question?

Mr. Crombie: That is my concern. The reason I ask the question of the minister is the fact that this would mean—

Madam Speaker: Order, please. The first question was rather long and I accepted it, but the hon. member's second question must be shorter.

Mr. Crombie: Thank you, Madam Speaker. My question is simply this: what initiatives will the minister be taking this session to deal with the economic circumstances in which Canadians will find themselves over the next six months—a situation which Statistics Canada has indicated we are beginning to experience already?

[*Translation*]

Mr. Chrétien: Madam Speaker, first I must say that the first part of the question is purely hypothetical. A possible budgetary change is under discussion and I am unable to comment on it before the Minister of Finance makes a decision in that area.

About the economic policy in general, the second part of the question, the Minister of Finance dealt with that subject yesterday and I have nothing to add to what he has already told the House.

● (1420)

[*English*]

Mr. Crombie: Madam Speaker, the Minister of Finance will be requesting, I am sure, the view of the Minister of Social Development. Will the minister give this House the assurance that he will maintain the protection which Canadians of moderate means now have, and not support any move to de-index income tax rates which will have that kind of effect on low-income Canadians?

[*Translation*]

Mr. Chrétien: Madam Speaker, we on this side of the House have always been anxious to maintain for Canadians a tax system which is as fair as possible. This concern has been with the government for a great many years past and will remain so for a great many years to come. After the budget has been made public, the hon. member will be able to pass judgment.

* * *

[*English*]

EMPLOYMENT

POLICY TO ALLEVIATE HIGH UNEMPLOYMENT AMONG YOUTH

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Employment and Immigration. I am concerned, as are my colleagues, about the latest statistics which show that 431,000 young people under the age of 25 are out of work. This amounts to 44 per cent of all those people unemployed in Canada.

What is the minister doing specifically to alleviate this national disgrace? What policy course, if any, is he following in that obviously uncaring government which thinks it is safely ensconced over there for four years?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member raises a concern which we all share. I do not think any party in this House has shown more concern over the years than we have for the problems of young people.

As the hon. member will know, we have had an opportunity to discuss this matter at some length in Parliament over the past three weeks. The government has announced a number of special measures which are designed to bring young people into the marketplace and to give them the skills and training they need in order to provide them with proper employment.

At the same time, the government has also introduced a major summer employment program. The figures referred to by the hon. member do not take into account this program, because it is just now coming into effect. We cannot solve all the problems of young people through direct government intervention; we must rely upon the workings of the private sector. However, this matter is a major priority of the government and it will continue to be a major priority.

Mr. McDermid: Madam Speaker, all the plans and all the programs which the government has brought into effect are strictly of a band-aid nature. Is the minister actively urging the Minister of Energy, Mines and Resources to get on with the program of self-sufficiency in energy in this country so that we can create permanent jobs for our young people in all provinces of Canada with our money, instead of creating jobs in Mexico, Venezuela, Saudi Arabia and Iraq?

Mr. Axworthy: Madam Speaker, I am pleased to report to the hon. member that I spent a full day yesterday meeting with representatives of the oil industry in the province of

Alberta. We discussed the kind of employment prospects which we will be developing in that province, the Northwest Territories and the Yukon. The assessment which was made was that there would be a substantial demand for new employment, and that one of the things we must do now is work out co-operative measures between the industry, provincial governments and our government to make sure that we are able to provide the skilled labour which will be in substantial demand.

Those commitments and those plans are already in progress and the capital investments are already proceeding with a great deal of effectiveness.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FORMER PREMIER OF NEWFOUNDLAND

Madam Speaker: I am sure that all members of this House will want to greet a former premier of the province of Newfoundland who is in our gallery, the Hon. J. R. Smallwood.

Some hon. Members: Hear, hear!

* * *

● (1425)

NATURAL RESOURCES

GOVERNMENT POLICY ON OWNERSHIP OF CANADIAN RESOURCES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. He will remember that in 1974 he made a commitment on the question of ownership of Canadian resources. He said:

—that major new projects in the natural resources field should have at least 50 per cent and preferably 60 per cent Canadian equity ownership.

Almost two years ago today I asked him if the government stood by that policy, and his answer was yes. During the recent election campaign the Prime Minister took a similar approach. I should like to ask him today if that is still goverment policy.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, this is still our objective. I had occasion the last time I answered the question, and again during the election campaign, to indicate what we had done and would continue to do, particularly in the matter of energy resources.

Mr. Broadbent: Madam Speaker, the commitment was not for a future objective. In 1974, in Sault Ste Marie, the Prime Minister said that all future development projects would have "50 per cent and preferably 60 per cent Canadian equity ownership". That is a commitment that applies the next day—to all future projects.

In this light, since the government said it was going to do that, how can the Prime Minister justify the present position it is taking on what is probably the most important energy development project in Canadian history, namely, the development of tar sands in which the Alsands project will be 80 per cent foreign-owned, and the Cold Lake project which will be 100 per cent foreign-owned?

Mr. Trudeau: Madam Speaker, I disagree with the hon. member when he suggests that "future" means tomorrow.

Some hon. Members: Oh, oh!

An hon. Member: Does it mean yesterday?

Mr. Trudeau: Even the members of the NDP have often argued that for them the future was some way in the distance, not necessarily tomorrow. That is the reality. I indicated the intention of the government to work in this direction. I have pointed out many times with statistics that we had in the past decade reduced the level of foreign ownership in the petroleum area from something like 90 per cent to 70 per cent. We want to continue to work in that direction.

The Canadian government's investment in the oil sands project, of something under $1 million, is an attempt to increase Canadian ownership. I never thought that overnight we could turn massive foreign ownership in petroleum, of the order of some 90 per cent, to 60 per cent. The hon. member suggests we try it. The way to do that would either be to expropriate without compensation, which is not the approach of this government, or to massively borrow to buy out the foreign investment. The House knows that at this time we do not want to increase the debt to that extent.

Mr. Broadbent: Madam Speaker, the Prime Minister is confusing two points, although at this point I will say perhaps not deliberately. I should like clarification. The commitment that was made in 1974 was that all future projects be at least 50 per cent Canadian control—not that in the immediate future all the industry would be 50 to 60 per cent Canadian controlled.

Therefore, if the commitment was for all future projects to be 50 to 60 per cent Canadian controlled, I should like to repeat the point about the development of the tar sands: why is the Government of Canada now selling out our future energy resources is this key field, particularly when we have Petro-Canada that could be doing the job for us?

Mr. Trudeau: Madam Speaker, Petro-Canada could only do that job if it had the resources to do the job. The federal government has increased those resources considerably over the past two or three years. It has permitted Petro-Canada to buy into one of the major foreign nationals, and to place Petro-Canada and Canadian shareholders now amongst the top ten, which was not the case before Petro-Canada.

What I am saying is that for Petro-Canada to do the job which might be desirable and which, hopefully, will take place in the future, of increasing Canadian ownership even further, it would need billions of dollars more to be put in its hands through the Canadian taxpayer.

An hon. Member: Go to the capital market.

Mr. Trudeau: That means increasing massively our borrowing, and at this particular time the government has judged—

An hon. Member: It is a good investment.

● (1430)

Mr. Trudeau: I can understand—

Some hon. Members: Oh, oh!

An hon. Member: Double-tracking first!

Mr. Trudeau: Madam Speaker, I think this is turning into a debate. If hon. members want to ask supplementary questions, I will attempt to answer them.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

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THE CANADIAN ECONOMY

MEASURES TO ASSIST HOME OWNERS—POLICY ON MORTGAGE TAX CREDIT

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, may I direct my question to the right hon. Prime Minister, in the absence of the Minister of Finance? Four months ago today, the public of Canada elected this government and we have been looking forward to the announcement of policies for stimulating the economy, to create jobs, to provide aid to alleviate cost of living problems besetting wage earners and to provide help to home owners faced with the loss of homes as a result of high mortgage rates.

We wanted to know what this government could contribute to the renewed health of this rich but bureaucratically-strangled nation. What we did not want was the formal announcement by the Minister of Finance, yesterday, of a recession for Canada.

Some hon. Members: Order.

Madam Speaker: Order, please. Is the hon. member going to put his question now?

Mr. Gilchrist: Will the Prime Minister now admit that the Conservative plan to help home owners and prospective home owners by a mortgage tax credit was the kind of action needed, and will he respond positively—

An hon. Member: No.

Mr. Gilchrist: —to the Ontario government's offer of $500, matched by a federal $500 to mortgage holders hard-pressed to keep their homes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is suggesting that the government should stimulate the economy. Through hearing the Minister of Finance yesterday, I would remind the House that in this very year the government is stimulating the economy to the extent of a $14 billion deficit. That is stimulus indeed.

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EMPLOYMENT

PROGRAMS TO REDUCE HIGH UNEMPLOYMENT

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is to the Minister of Employment and Immigration. Statistics Canada tell us today that unemployment is 7.8 per cent. Perhaps a more human way of saying that is that about 900,000 of our fellow Canadians are looking for work, without success. I think it is the highest rate in the industrialized western world.

My question is this: how will the minister's $137 million plan seriously help Canadians looking for work in this fiscal year? If it will not help, what plans does the minister have to change the proposed plan?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin with, the unemployment rate, which gives us all a good deal of concern, is not one that is solely an experience of this country. It is something that is affecting all industrialized countries, because we are dealing with the same conditions such as inflationary prices of oil and energy around the world. Downturns in economic growth are being faced by every country. I would point out to the hon. member that in the last report in the United States the unemployment rate exceeded substantially the rate we are experiencing in Canada, and we are obviously affected by that.

As far as how our programs will affect the situation, the programs speak for themselves. Those employment-creation programs announced June 2 are designed to try to provide job opportunities for tens of thousands of Canadians who will be entering the workplace this summer and fall. The program is being targeted particularly on those who have most difficulty in the workplace. We are using our scarce resources to help those most in need. That is a commitment of this government.

Mr. Kilgour: Madam Speaker, the minister said in a press conference on April 24:

> I believe that, as far as possible, employment programs should do more than just create employment. They should also seek to further other government objectives.

In light of the changing scene in the economy, would the minister now tell us what other government objectives he had in mind?

Mr. Axworthy: Madam Speaker, that statement referred to the fact that we wanted to use our employment programs to help other objectives such as energy conservation, the promotion of additional research and development, the promotion of better access to the workplace for women and native people. Again, the programs that we put forward and announced are designed to do exactly that.

The new technology program will provide work opportunities in areas of research and development. The additional training programs for native people will open up access. The incentive wage subsidy for women to move into the non-traditional work roles is designed to fulfil the general and social economic conditions of the government, and at the same time to provide a general basis for employment within the public sector.

FUNDING OF EMPLOYMENT PROGRAMS FOR WOMEN

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is for the Minister of Employment and Immigration. Given the fact that 400,000 of the 900,000 unemployed are women, and given the statement made by the Canadian Advisory Council on the Status of Women this month in which it was indicated that only 33 per cent of the full-time trainees in the government's institutional programs, and 29 per cent among other industrial trainees and only 3 per cent of the apprenticeship training opportunities were given to women, what steps if any does the minister intend to take to provide a better balance in the funding of the recently announced employment strategy which is soon to be debated as a result of the occupational training guide?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in reply to the hon. member for Winnipeg North, I would remind him that the employment package that we announced does include an experimental program to provide incentives to employers to bring women into the non-traditional fields. As I announced in the House, if that program turns out to be a success, then we would add substantial funds to it. But we want to test out that particular formula to see if it does provide the incentive that is required. At the same time, we introduced the community services program which is designed to provide support services in the community field. Again, this will enable more women to come into the work force.

Finally, as we said in the throne speech, we intend to take action in the area of Affirmative Action programs to provide for a lowering of barriers that now face women as they try to get into the workplace. This lowering of barriers will give them more equal opportunity. We are trying to move on several fronts. I met with the Advisory Council to explain those programs. There was a very good discussion and I received a good hearing from the council on these programs.

Mr. Orlikow: Madam Speaker, in the same statement the council indicates that many women are unable to participate in training courses because of the inadequate dependant care allowances for trainees: this is $10 per week per child. Is the minister giving consideration to increasing that allowance so women can participate in the training programs in the same way as men?

Mr. Axworthy: Madam Speaker, as the hon. member knows, we have established a major procedure of review to look at the entire spectrum of employment and training programs. Certainly, one of our major objectives in that review will be to examine how we can improve our training programs, particularly in the industrial area. That also includes the provision of better support services so that women and minority groups can come into the work force in a more open and accessible fashion.

We have indicated that that review will take a matter of three or four months. Hopefully, at the end of this year or the beginning of next we will be able to present a white paper to Parliament to explain these programs. It will be something on which we can then base an entire package of programs, rather than taking ad hoc, piecemeal measures.

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[*Translation*]

AIR CANADA

INQUIRY WHETHER AIRCRAFT WILL CONTINUE TO BE MAINTAINED AT DORVAL

Mr. Arthur Portelance (Gamelin): Madam Speaker, my question is directed to the Minister of Transport. During yesterday's meeting of the transport committee, I pointed out to him a decision reported to have been made by Air Canada to build at Malton airport a hangar which would be used for the maintenance of Air Canada's new fleet of aircraft. It is a well known fact that the maintenance of Air Canada aircraft is being carried out at Dorval airport. Could the minister assure us that Montreal employees in general and in particular those in Dorval will not be affected by the future changes contemplated by Air Canada.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, following the very relevant question which the hon. member for Gamelin put to me yesterday in the House, this morning I contacted Air Canada officials who confirmed that the Dorval facilities will be expanded. The maintenance of the DC-8s and DC-9s will continue to be carried out there. The maintenance of the L-1011s which will be put in operation next February will also be carried out there. Such will be the case of the Boeing 767s in 1982. The number of jobs at Dorval keeps on increasing. From July 1979 to date, some 542 people have been hired and 75 more are likely to be hired before the end of the year. Moreover, I am pleased to report that similar increases at Winnipeg and Malton airports will meet other needs.

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[*English*]

STATUS OF WOMEN

WOMEN'S TRAINING PROGRAMS—CRITICISMS BY ADVISORY COUNCIL

Mr. Walter McLean (Waterloo): Madam Speaker, my question is to the Minister of Employment and Immigration

who is also the minister responsible for the status of women. I wish to pursue the questioning which has just taken place and press the minister in terms of last Wednesday's with meeting the Advisory Council on the Status of Women.

While the meeting was a friendly one, the council was very critical of the minister's programs for women's training, especially as they failed to meet the needs of older women and women with children, stating that these two groups were virtually ignored. I wonder if the minister has had time to reflect on these specific criticisms, and in light of today's government announcement that the depression is upon us, what specific direction will he take in the programs that he has indicated he will be announcing to assist older women and women with children?

● (1440)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am not sure what announcement the hon. member is referring to, but I can tell him that as a result of the discussions we had with the Advisory Council we have, as part of the review procedure, established a very specific group to look at the problems raised relating to women's needs, particularly those of older women.

As I indicated to the Advisory Council at the time, it is my intention to try not to bring in single, individual programs to respond to those issues but, in order to provide for a proper comprehension of the entire employment needs of women, to establish a comprehensive program. It would be much better to do it jointly, rather than in an ad hoc way. That will be part of our plan in this review procedure so that Parliament will be able to consider by next fall.

Mr. McLean: Madam Speaker, the minister will know that the Advisory Council was addressing the minister's employment strategy which was introduced in this House, and they were making specific comments on its failure to meet these two areas—older women and women with children. Their comments were that it will do little more than any earlier programs and strategies.

Madam Speaker: Order, please. I must remind hon. members that, especially on second questions, their questions must be brief and as much as possible supplementary.

Mr. McLean: Thank you, Madam Speaker. My question is: will the minister accept the council's recommendation that minimum participation rates for women be established before the initiation of any employment programs? Will he introduce quotas?

Mr. Axworthy: No, Madam Speaker, I will not introduce quotas. That is not the way to proceed. The best way to proceed is to provide guidelines for the counselling, employment and training of women. Once you begin setting quotas, you begin a system of reverse discrimination. What we must do in these types of programs is establish the kind of opportunities that are not there presently.

As I indicated to the Advisory Council—and the hon. member was at the meeting—the community services program that we established is designed to do exactly what they recommend, that is, to provide for additional support in the child care area and provide for opportunities for older women to come into the work force for the first time. If the program works as we think it will and as it is designed to do, we will then be able to expand the program and build upon it. However, these programs are introduced in order to test certain ideas. Once those ideas are confirmed, we will be able to build upon them.

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HOUSING

ASSISTANCE IN RENTAL SECTOR

Mr. John Bosley (Don Valley West): Madam Speaker, my question is for the minister of housing. Figures the minister released yesterday show that effectively private sector rental housing starts ground to a stop in Canada and we now have vacancy rates below 1 per cent in some of our major centres. The minister yesterday indicated that his response to that problem would be to increase the non-profit and co-op program by 5,000 units for approval this year.

Can the minister tell this House whether that is the entire program of the federal government for this year to help the rental housing sector, when rates are as low as they are?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as hit upon by a number of people today, the response of this government is to achieve a number of things with our very limited budget in view of the large deficit. Our answer to the problem of areas of tight rental markets is to target our response to those particular areas.

We well appreciate that in a number of areas across the country the situation is quite tight. We feel, with some confidence, that with the input of all members of this House and the officials of the corporation, the response of the 5,000 units tailored to those areas which are particularly tight—and I know this from representations made from the opposite side—should be and would be a welcome relief to a number of communities. We think it is a modest relief, but such that it will indeed be welcome in many areas.

Mr. Bosley: Madam Speaker, I well remember the minister in the previous incarnation commenting upon speeches like that as being inadequate. May I direct the following supplementary to the minister. Will the minister now face one small fact about a mortgage deductibility scheme, that is, that what it does do above all else is encourage those tenants who wish to own to move out of apartments and own them? Will he face the fact that such a scheme would go much further to creating an increase in vacancies in rental housing in this country than an additional drop in the bucket of 5,000 units approved by his ministry?

Mr. Cosgrove: No, Madam Speaker, I would not agree with that proposition. Nor do I agree that the problem he has identified is a priority that is shared by most Canadians. This government said in the election campaign that we would target our response to those most in need. For example, the other program announced yesterday was directed to people of moderate income who had to rehabilitate their homes. It was to assist them in their home ownership, but in conditions that made living worth while. That is why we announced an increase in the eligibility of those people who would qualify to take government grants to rehabilitate homes, and thus to assist with employment in the housing industry.

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CONVENTION CENTRES

FINANCIAL ASSISTANCE IN DEVELOPMENT OF TORONTO CENTRE

Mr. Norman Kelly (Scarborough Centre): Madam Speaker, I would like to address my question to the Minister of Industry, Trade and Commerce. As one of the representatives of metropolitan Toronto, I was delighted to hear the minister's announcement of financial assistance to the development of the convention centre in that city. However, the provincial minister of industry and tourism responded to the announcement by stating his preference for the assistance program offered by the Clark government. Will the minister comment on any differences which might exist between this offer and that of his predecessor?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): As far as I am aware, Madam Speaker, the commitment made to the Toronto trade and convention centre, and therefore to the greater well-being of metropolitan Toronto, is certainly not any less than the contribution spoken of by the previous Conservative government. Therefore, rather than sniping at our constructive announcements, the province of Ontario, through its industry minister, should come forward and put its commitments on the line so that this work can go ahead.

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ENVIRONMENTAL AFFAIRS

FUNDING OF PROGRAMS

Mr. Tom McMillan (Hillsborough): Madam Speaker, unlike the previous questioner, I have an unplanted question for the Minister of State for Social Development. In view of the dire economic forecasts for the country in the coming year from Statistics Canada and other bodies like the Conference Board, and in view of the fact that in times of recession, spending on environmental matters tends to be among the first to be reduced by successive Liberal governments, will the minister assure the House that the federal government will allocate the funds required to confront the serious environmental problems plaguing all Canadians?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I think the question was addressed to the Minister of State for Social Development. As the minister responsible for the environment, I want to assure the hon. member—as I explained to him both in committees of the House and in private—this government is determined to meet the needs of the country in relation to the environment. We are seeking a variety of ways of strengthening our efforts in that area.

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INDUSTRY

REASON FIRA APPROVED TAKEOVER OF AUTO PARTS OPERATION IN OSHAWA

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. Houdaille Industries Ltd. recently announced its intention to close its Canadian auto parts operation in Oshawa, laying off 283 workers, many with over 30 years' experience. This company received a three-quarter million dollar Industry, Trade and Commerce grant and has been recently purchased by a U.S. corporation which was approved by the Foreign Investment Review Agency.

Will the minister please inquire as to why the Foreign Investment Review Agency approved this takeover, when only months later the entire Canadian operation was closed down despite its being one of the most modern, efficient plants in North America?

• (1450)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have already asked for a full report from the Foreign Investment Review Agency about the undertakings obtained as a result of approving the takeover and the implications for these undertakings of this announcement.

In addition, I met yesterday with representatives of the workers at Houdaille Industries, and I am meeting this afternoon with representatives of the company to see what can be done to enable this plant to continue operating.

Mr. Parker: Madam Speaker, Canada has a $4 billion deficit in auto parts. General Motors Oshawa operation imports its steel and aluminum bumpers from the United States, while just down the street Houdaille is about to close down.

Will the minister call in the executives of General Motors and demand to know why this preference is being given to foreign suppliers, when Houdaille makes superior bumpers just around the corner?

Mr. Gray: Madam Speaker, I understand that Houdaille Industries has been making a larger bumper of a kind not

being used by General Motors, but I have already instructed my staff to be in touch with the purchasing executives of General Motors to pursue this very question.

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ENERGY

FEDERAL FUNDS FOR DEVELOPMENT OF BRITISH COLUMBIA COALFIELDS

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance my question is directed to the Prime Minister. Last night, in the other place, the B.C. representative in cabinet admitted that, contrary to the perception of our colleague, the hon. member for Vancouver-Kingsway, little or no federal government funds will be advanced for the development of B.C. northeast coalfields on terms acceptable to the B.C. government.

Since the government of B.C. has decided to finance the construction of the $300 million railway spur with revenue from natural gas exports, could the Prime Minister assure the House that Ottawa will not seek to preempt this revenue source and thus jeopardize thousands of new jobs in B.C.?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the contribution of the federal government to the development of the northeast coal area of British Columbia is going to be in the form mainly of—

Mr. Clark: Talk.

Mr. Pepin: —taking the responsibility for the through-put rate at the port of Prince Rupert. In order to do that, the federal government will construct the facilities at a price which will be close to $35 million. The federal government has also given a fixed rate to the companies so that they will be in a position to negotiate with the Japanese instantaneously.

There will be another indirect federal contribution in the sense that CN will have to improve the quality of the main line in order to make transportation possible, which is going to be an important investment for CN.

OIL PRICING FORMULA FOR ALL OF CANADA

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Prime Minister. The Minister of Energy, Mines and Resources is at a meeting today presumably hammering out an oil pricing formula for all Canadians. The previous pricing mechanism in Canada made it possible for certain parts of Canada to get oil at one price, whereas many northerners were paying double the price paid in eastern Canada where oil is being subsidized.

I can give the Prime Minister an example. At Wollaston Lake, in Saskatchewan, the price is 30 cents per litre, compared with 16.5 cents in Montreal and Ottawa. In gallons, that is 75 cents in Ottawa and Montreal, compared with $1.36. I wonder whether the Prime Minister can tell me whether in any formula which will evolve from these discussions northerners will be taken into consideration so that they, too, will benefit from any subsidizing program, averaging program, blending program or whatever program evolves, and whether they will get oil at the same price as the rest of Canada.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the hon. member is asking a question which is indeed important in terms of the higher cost of living to be borne by people in parts of the country other than the more populated parts of Canada. That is a question which has interested all governments.

There are special arrangements, but we do not expect that every commodity in every part of the country would be sold at the same price, whether it be gasoline at the pump, bread, wheat or anything else. There is always the cost of transportation which makes a difference, and that applies to petroleum and every other commodity in Canada.

Mr. Korchinski: A supplementary question, Madam Speaker—

Madam Speaker: Order, please. The hon. member for Qu'Appelle-Moose Mountain.

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AGRICULTURE

REQUEST FOR PARTIAL PAYMENT FROM WESTERN GRAIN STABILIZATION PROGRAM TO ALLEVIATE UNEMPLOYMENT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my question is addressed to the Minister of Agriculture. In view of the present and pending unemployment in automobile and truck factories and machinery factories in eastern Canada, would the minister consider making a partial payment from the western grain stabilization plan soon this summer, to help alleviate this unemployment problem in the east and so that we in the west can get enough money from the program from last year to help these fellows get back to work?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I will consider the hon. member's recommendation and discuss it with my colleagues who are also involved with the program.

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TRANSPORT

VANCOUVER HARBOUR—FUNDS TO MAINTAIN FIREBOAT SERVICE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Minister of Transport. I am sure the minister has heard of the motion moved last week under

Standing Order 43 concerning the Vancouver fireboat situation.

I want to ask the minister if he is aware that the fireboat service will be cut off at the end of this year unless funds additional to those provided by the city of Vancouver are found. Is it the intention of the government to provide funds for the fireboat in the Vancouver harbour? If not, how will the minister see to the protection of federal government assets which are located in the port of Vancouver?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the position of the National Harbours Board, which is the party involved in this debate, is that the municipality must provide these services. The National Harbours Board pays grants in lieu of taxes for that purpose, among others. This view is shared by a great number of people at the port of Vancouver, so we stand on that as being reasonable.

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HEALTH AND WELFARE

HEALTH HAZARDS IN CERTAIN CHEMICALS AND PESTICIDES

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. In a letter written on January 25, 1980, the chairman of the Federal Committee on Pesticides stated, and I quote: "The validity of all studies carried out by Industrial Biotest Laboratories of Northbrook, Illinois, remains in doubt". He further stated that "government officials found serious problems which were not identified or reported."

In light of the fact that over 90 chemicals and pesticides tested by this company are now in common use across the country, and in light of the fact that these materials may pose a serious threat to the health of Canadians, would the minister explain, after three years of study, what the defects in these chemicals and pesticides are and what are the health hazards; and is she prepared to make public the list of the chemicals involved and their particular health hazards?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I take for granted that the House will permit me to use written notes to make sure I give precise information on this very complex subject. Incidentally, I am also preparing a press release—I am working on it today—to inform the public on the state of the matter.

The situation is partly as the hon. member said, namely, that many pesticides, about 100, were tested for safety both by us and by Americans in a laboratory called Industrial Biotest Laboratories, and the tests were judged invalid. The job of validating all the tests is very long and I must inform hon. members that to complete the job will take another four years.

We have already found that eight of the 100 pesticides have been assessed as free of further concerns. The information presented to me as Minister of National Health and Welfare is such right now that I have no evidence today, based on all the work done—but incomplete—of serious negative effects on people. It is quite a complicated situation for a minister to make a decision on as to recommending to my colleague, the Minister of Agriculture, a ban or no ban at this point in time on these pesticides. I will give further information in the form of a press release to everybody in Canada. I think that is the best channel we have. Then we can continue the discussion.

* * *

● (1500)

THE CANADIAN ECONOMY

DE-INDEXING OF INCOME TAX—EFFECT ON LOW-INCOME CANADIANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, a moment ago the Minister of Employment and Immigration stated that the government's goal was to use "its scarce revenues to help those most in need." I wonder if the minister will tell the House of Commons how that goal is advanced by a proposal to de-index the personal income tax.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would suggest that the Leader of the Opposition has already had more than a complete answer from other ministers of the Crown to exactly the same question.

Some hon. Members: Oh, oh!

Mr. Clark: My supplementary question is to the Minister of State for Social Develoment. We have now been told by the Minister of Finance that he might, or might not, introduce—but he is at least seriously considering—de-indexation of the personal income tax system, which would increase taxes for Canadians earning $10,000 a year by 180 per cent over five years.

The Minister of State for Social Development says he has not been consulted on this matter, that it is of no concern to him. Obviously it is of concern to him. My question to the minister is this. Since the Minister of Finance has indicated that he is considering a proposal which would increase by 180 per cent personal income taxes by Canadians in the lowest taxable bracket in the country, is the Minister of State for Social Development now making contingency plans which would help those Canadians whom the Minister of Finance proposes to hurt, and will the Minister of State for Social Development tell the House of Commons, either now or on motions this week, what the contingency plans are?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said in a previous answer that this matter is the responsibility of the Minister of Finance. The right hon. Leader of the Opposition will get an answer to his question on the evening of the budget speech. He should wait until then.

[*English*]

POINT OF ORDER

MR. MACKAY—RESPONSIBILITY FOR CALURA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I rise on a brief point of order. I would be grateful if the Minister of Supply and Services (Mr. Blais), or the President of the Treasury Board (Mr. Johnston), would clear up what appears to be an ambiguity. That is to say, we have two part-time ministers responsible for Statistics Canada, and also for the federal government's economic and industrial statistics. The order in council to which I am referring is dated June 13, 1980, and it refers to the responsibility of the Minister of Supply and Services and also designates him to have responsibilities under the Financial Administration Act. But, as the House knows, a very important part of Statistics Canada is the tabulation of the Corporations and Labour Unions Returns Act, known as CALURA. It appears that the Minister of Supply and Services who is responsible for Statistics Canada has his authority under the Statistics Act, but there is some question in my mind, and perhaps in the minds of other members, as to who is responsible for CALURA reports.

I am wondering whether the House leader, the President of the Treasury Board, the Minister of Supply and Services, or someone, could enlighten the House, myself in particular, as to who is officially responsible for CALURA. Does anyone know?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the authorization that I have received includes responsibility for CALURA.

* * *

PRIVILEGE

MR. KORCHINSKI—RECOGNITION DURING QUESTION PERIOD

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question of privilege. It is with the deepest regret that I have to rise in my place concerning my inability to pose a supplementary question. Your Honour knows that last week my office telephoned your office with the intention of notifying you that I had a question which I wanted to pose. I have waited for four days, rising like a yoyo in my seat, and finally I was informed that I was on some sort of a preferred list. I did not realize that there were different categories of members in the House, that there was a first level, second level, or a third level of members.

Some hon. Members: Order!

Mr. Korchinski: The point is that I have a very serious question to pose which I consider must be taken up on behalf of my constituents. My constituents have no one else to go to but, rightly or wrongly, they chose me. They chose me for 22 years, not because I sat in my seat not being able to pose a question, but because I did work.

Perhaps there is some sort of a working arrangement between I do not know who and the Chair. If that is the case, then I would like to know why it is that a senior member cannot rise in his place and be given equal time to that given to another member who is allowed to pose supplementary questions. It does not matter whether they are on the front benches or in a circular firing squad, whatever it is, the point is that as a member I represent 50,000 or 60,000 people and occasionally I have a question to ask of a minister.

Some hon. Members: Order!

Mr. Korchinski: On another occasion I rose to ask a question and I was recognized, but again only for one question. I sat patiently. I went through this all through the last session. I was only allowed a few questions. I went to see the previous speaker on two occasions in his office and I wondered what was going on, what was wrong with the way my questions were phrased, or why it was that the representative of Mackenzie was not allowed to be heard.

I sat here patiently, hoping I would not have to bring this matter up publicly. I regret, Madam Speaker, having to rise now but I do not intend to sit here for four years waiting for somebody to pull a string. I am not in the habit of being a puppet, and I do not intend to be that at this time.

Some hon. Members: Hear, hear!

Madam Speaker: The time has come for me to lay down some of the facts, and I do have the facts because I keep very careful statistics of how many backbenchers I recognize, how many frontbenchers, how many members of the Conservative party, of the NDP, and of the Liberals. I study them every day because, the next day, if something had happened to create some sort of imbalance, I want to correct it immediately. As I said before, I apply instant justice in the House, and instant justice sometimes has to be revised. If I find that the balance has been tilted to one side or the other, I try to correct it immediately the next day. Thus, I have before me every morning the statistics of the question period of the day before, and they make a mockery of statements that have been made to the effect that backbenchers are not recognized because I do not know their names. For your information, I know all your names now and all your constituencies.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Mackenzie (Mr. Korchinski) said that he has risen like a yoyo for three or four days, but I have to tell him that he is not the only one.

I do feel sorry for those who have to rise constantly but do not manage to get on the list which I make. Therefore, the hon. member must be patient because every member in the House wants to be recognized on questions of national interest, or even questions concerning his constituency. I try to be fair, and I could bring out the statistics regarding the hon. member so as to find out whether he has been recognized less than the others. But I do not think so.

Today I did not allow the hon. member a supplementary question, but there again he was not singled out. I did warn hon. members the other day that perhaps one way of allowing more hon. members to be recognized during the question period would be at some time, at the end of the question period, to stop allowing supplementaries. That is what I have done today, and the result was that more members were able to put their questions during the question period.

I have to study what is the meaning of supplementary. I do not think all the supplementaries put are supplementary to the first question asked. I will look into that matter as I go on learning my job to see whether or not I should allow questions that are not really supplementary. Perhaps that will also give more hon. members a chance to ask questions during the question period.

So that is my policy. Perhaps it is not perfect every day, but I do try to correct it as I go along.

Some hon. Members: Hear, hear!

MR. SCOTT (VICTORIA-HALIBURTON)—BLOOD DONOR CLINIC CONGRATULATIONS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I rise with great pride in my heart, and I think you will share this feeling with me and other members of the House in this question of privilege. I would have liked to have put it in a motion under Standing Order 43. Last week when the House of Commons staff on Parliament Hill held a blood donor's clinic, a record high was reached, and probably that was a result of arrangements made by you, Madam Speaker, by the Sergeant-at-Arms, and also by Sergeant Bob Davis of our security staff.

Last week there were 333 donors who gave blood at the blood donor's clinic, of whom 172 were new donors. People are very proud of this, I am very proud of this, and I am sure we all share in it. Perhaps I shouldn't take this time of the House, but I should like to congratulate those people responsible for taking time out to give blood so that others may live. Also I want to thank those people who were involved in the organization of the clinic as well.

● (1510)

Some hon. Members: Hear, hear!

Madam Speaker: Of course this is not a question of privilege, but it is a marvellous thing to have on our record. I am sure we want to congratulate all those people who have given of their blood.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I also extend my congratulations as Minister of National Health for the outstanding work done in connection with the blood clinic. Madam Speaker, it may have looked like I misinformed the House earlier.

[*English*]

(*Later*)

* * *

HEALTH AND WELFARE

HEALTH HAZARDS IN CERTAIN CHEMICALS AND PESTICIDES

Hon. Monique Bégin (Minister of National Health and Welfare): On the question of pesticides, because of its particular importance to the health of Canadians, I should like to explain that 12 more months are required to finish assessing the studies produced by the American laboratory I named in my answer. Separate from that, another four years are needed to cope with the studies for which the data will have been judged invalid. I want to put the whole question in the proper perspective.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Second report of Standing Committee on Regulations and Other Statutory Instruments—Mr. Beatty.

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

* * *

PUBLIC SERVICE EMPLOYMENT ACT

AMENDMENT RESPECTING PHYSICAL HANDICAPS AND HEALTH

Mr. Hal Herbert (Vaudreuil) moved for leave to introduce Bill C-603, to amend the Public Service Employment Act (discrimination as to age or physical handicap or health).

Some hon. Members: Explain.

Mr. Herbert: Madam Speaker, a sub-objective of the Public Service Commission is to ensure that physically and mentally handicapped persons are given effective equality of opportunity to compete for positions in the public service.

The purpose of this bill is to incorporate in the Public Service Act, as an example to the private sector, the grounds of physical handicap and health under which the Public Service Commission shall not discriminate in prescribing selection standards.

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

Order Paper Questions

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE SAINTE-MARIE TO MONTREAL-SAINTE-MARIE

Mr. Jean-Claude Malépart (Sainte-Marie) moved for leave to introduce Bill C-604, to change the name of the electoral district of Sainte-Marie.

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

AMENDMENT TO CHANGE MERCIER TO MONTREAL-MERCIER

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General) moved for leave to introduce Bill C-605, to change the name of the electoral district of Mercier.

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

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

MEASURE TO AMEND

Hon. Pierre De Bané (Minister of Regional Economic Expansion) moved for leave to introduce Bill C-35, an act to amend the Regional Development Incentives Act.

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

* * *

NATIONAL ANTHEM ACT

MEASURE RESPECTING WORDS AND MUSIC

Hon. Francis Fox (Secretary of State and Minister of Communications) moved for leave to introduce Bill C-36, an act respecting the national anthem of Canada.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 88, 197, 231, 268, 383 to 389 inclusive, 401, 730, 818 and 895.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

EMPLOYMENT AND IMMIGRATION—MINISTERIAL PERMITS

Question No. 88—**Mr. Cossitt:**

1. How many Ministerial permits for admission to Canada were issued by the Minister of Employment and Immigration in each of the past five years, and what was the total number issued during this period?

2. What were the first five countries of origin insofar as the largest numbers were concerned and how many came from each country?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1.

1975	1976	1977	1978	1979	Total
21,202	11,281	10,555	17,121	9,104	69,263

2.

April 10 *—December 31, 1978		1979	
USA	2,547	USA	2,117
Jamaica	845	Jamaica	444
Hong Kong	649	Haiti	410
Guyana	511	Chile	395
England	507	India	364

* Statistics giving countries of last permanent residence have been available only since the introduction of the new Immigration Act and Regulations on April 10, 1978.

CAPE BRETON DEVELOPMENT CORPORATION

Question No. 197—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Cape Breton Development Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

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

		Year Ending March 31, 1978		Year Ending March 31, 1979	
		Coal Division	Industrial Development Division	Coal Division	Industrial Development Division
		$	$	$	$
1.	Total Revenue	87,941,249	4,004,769	119,831,985	4,466,136
	Loss for the year	11,459,526	8,493,038	12,563,739	6,455,419
2.	(a)	2,034,000	—	2,035,000	—
	(b) Loans	—	—	—	—
	Advances-Working Capital*	10,000,000	—	13,000,000	—
	Guarantees	—	—	—	—
	(c) Investment for:				
	Capital	14,476,000	2,580,000	26,105,000	2,270,000
	Operating Losses	17,578,000	4,760,000	10,726,000	5,042,000
	Mining Loss of Prior Years	4,398,000	—	—	—

* The government provides working capital advances to a maximum of $25 million to the coal division, based on its working capital requirements. The amount of these advances, held by the corporation, fluctuates during the year. The balances shown are at the year end, March 31, in each case.

REGIONAL ECONOMIC EXPANSION—NUMBER OF EMPLOYEES

Question No. 231—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Regional Economic Expansion's payroll on March 31, 1979?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: (a) 1,722 (b) 126.

VETERANS AFFAIRS—PRINCE EDWARD ISLAND—POSSIBLE LOSS OF UNEMPLOYMENT INSURANCE BENEFITS

Question No. 268—**Mr. Herbert:**

Will a unilingual French-speaking spouse of a Department of Veterans Affairs employee who moves to Prince Edward Island lose any unemployment insurance benefits because of the inability of that person to speak the English language?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): A claimant does not lose the right to unemployment insurance benefit by the mere fact of not speaking the language of the majority of the population in the area where he or she resides. What has to be determined is the person's availability, taking into account all the factors affecting it, including local labour market conditions. For example, a unilingual French person could quite conceivably work in an English-speaking environment, if the work required little or no knowledge of English.

It is the guiding principle that is at issue here. Each case must be studied separately, in the light of the facts, by the local benefit entitlement officers.

CANADA DEVELOPMENT CORPORATION

Question No. 383—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Texasgulf Inc.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 384—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Ventek Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 385—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of AES Data Systems Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Order Paper Questions

Question No. 386—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of CDC Data Systems Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 387—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of CDC Life Sciences Inc.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 388—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Petrosar Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 389—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of CDC Oil & Gas Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Question No. 401—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of the Canada Development Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Pierre Bussières (Minister of State (Finance)): 1. In response to questions 383-389 and question 401 concerning the Canada Development Corporation and its subsidiaries, it should be noted that the Canada Development Corporation is a private sector corporation in which the Government of Canada, along with some 18,000 other shareholders, holds an equity interest. Canada Development Corporation is neither a crown corporation nor an agent of Her Majesty. The government does not have any official knowledge of the corporation or its subsidiaries not available to the public. To assist the hon. member, the 1978 Annual Report of the Corporation, which is obtainable from the secretary of the company, Suite 2272, 200 Granville Street, Vancouver, B.C. V6C 1S4 shows results for the subsidiaries as follows:

	Year ended December 31			
	1977		1978	
	($ millions)			
	Revenues	Net Income	Revenues	Net Income
Question 383—Texasgulf Inc.	$491.1	$46.3	$ 608.9	$50.1
Question 384—Ventek Ltd.	—	—	8.2	.5
Question 385—AES Data Systems Ltd.	—	—	34.4	.9
Question 386—CDC Data Systems Ltd.	—	—	44.6	1.3

Order Paper Questions

Question 387—CDC Life Sciences Inc.	109.2	(1.3)	139.8	4.1
Question 388—Petrosar Limited	—	—	40.1	(.8)
Question 389—CDC Oil & Gas Ltd.	35.3	12.2	43.2	11.8
Question 401—Canada Development Corporation (consolidated basis)	724.1	23.8	1,305.9	36.4

2. Information concerning (a) direct or indirect subsidies or other benefits conferred by the government on any of these legal entities; (b) loans, advances or guarantees extended by the government to these companies; and (c) investment by the government in these companies is published in the Public Accounts of Canada and is equally accessible to the hon. member.

ANNUITIES BRANCH

Question No. 730—**Mr. Blenkarn:**

1. Can government annuities be purchased from the government and, if not, will the annuities branch be wound down and, if so, how long before this can be done?

2. How many employees are employed in the annuities branch?

3. Is the government contemplating paying to annuitants an interest rate equal to the interest rate presently paid on Canada Savings Bonds and, if not, for what reason?

4. Does the report of the annuities branch relate to the recruiting and the training of staff and, if so, for what reason, if the service will eventually no longer exist?

5. Is the annuities branch being moved to Bathurst, New Brunswick and, if so, for what reason, if the branch will eventually disappear?

6. What is the total cost of administering the annuities branch including salaries paid to those doing the administrative work?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Canadian government annuities are no longer being sold. As indicated in the annual report for 1978-79, however, the annuities branch is still administering the contracts of some 115,200 persons now receiving payments; additionally, some 102,980 certificates under group pension plans are still to come under payment to participants in those plans; and a further 38,369 individual annuity contracts are yet to mature. On this basis, it is estimated that the branch's workload will increase until the early 1990s. The last deferred annuity may go into payment as late as 2035. There is therefore no intention to 'wind down' the branch at the present time.

2. At 31 March 1980 the branch had 114 employees in Ottawa and 64 employees in Bathurst, or a total of 178. The number employed is somewhat higher than usual, because of the overlap necessary to maintain continuity of operations as the Bathurst staff is built up and the Ottawa staff is run down. The 1981-82 level should be 109, almost wholly in Bathurst.

3. In the autumn of 1979, a review of the interest rate situation as it affected the annuities program was undertaken by the officials responsible in the departments concerned, to see if the rate of interest paid in the administration of annuities contracts should be altered under the provisions of subsection 3(2) of the Government Annuities Improvement Act of 1975. The review is now complete, and it has been decided that no change in the interest rate paid in respect of these contracts will be made at this time. The review involved extensive interdepartmental consultations. The government regards government annuities as but one of a broad range of fixed contractual obligations into which it has entered. To grant special concessions at this time to the holders of government annuities, financed from general revenue, would raise questions of equity vis-à-vis other investors who have been equally affected by rising interest rates. The present situation is not to be compared with that which prevailed in 1975, when the rate was raised to 7 per cent. The 1975 initiative should be seen as the correction of a completely anomalous situation which had developed over many years, and not as the first in a series of periodic adjustments to correct the adverse effects of fluctuations in interest rates. In fact, in the entire period from 1908 to 1975, annuitants were bound by the rates prevailing at the time they contracted with the government, some rates being as low as 3 per cent, and this despite the sharp increase in rates in the 1960s. To undertake a continuing series of adjustments would offer holders of government annuities privileges, financed from taxpayers' moneys, which are not available to those who have invested in other comparable financial instruments. Such a policy would call into question the binding nature of contractual arrangements of the federal government and, if broadly extended, could ultimately lead to serious disruptions in capital markets.

4. Since (as explained in (1)) the operations of the branch must continue for many years to come, replacement of employees who leave must also continue. The relocation, to Bathurst has, moreover, required considerable restaffing and retraining of the branch, since no Ottawa employee has elected to move to Bathurst.

5. Yes. The relocation is part of the general program of decentralization of selected units of the public service from Ottawa. As explained in (1), the branch will continue to exist for many years.

6. Administrative expenses for the fiscal year ending on 31 March 1979, were: $3,062,536. This figure reflects certain one-time expenses incurred in connection with the move to Bathurst. The corresponding 1977/78 figure, of $2,481,940, probably more nearly represents a normal year for the branch.

POST OFFICE DEPARTMENT—STUDIES RELATED TO MARIJUANA

Question No. 818—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Post Office Department?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): None.

CFB GAGETOWN—PMQ UNITS

Question No. 895—**Mr. Howie:**

On January 1 (a) 1979 (b) 1980, how many PMQ units at CFB Gagetown were (i) unoccupied (ii) occupied by non-military personnel or their dependents?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

(a) (i) 480

(ii) 116.

(b) (i) 550

(ii) 112.

[*English*]

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call notice of motion for the production of papers No. 5?

AUTOMOTIVE AGREEMENT

Motion No. 5—**Mr. Herbert:**

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

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Madam Speaker, the documents requested by the hon. member for Vaudreuil (Mr. Herbert) are very voluminous and would require a lot of time and a lot of public funds to prepare. So I would ask the hon. member for Vaudreuil to withdraw his motion.

[*English*]

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I would ask that the motion be transferred for debate.

Madam Speaker: Transferred for debate.

Mr. Collenette: I ask, Madam Speaker, that the other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Madam Speaker, in introducing Bill C-3, first I should like to point out that this bill is not an ambition to change in any substantial way the major direction of the unemployment insurance program. Basically it is designed to amend the Unemployment Insurance Act in two very simple ways to respond to some very immediate problems. The first provision is to extend the variable entrance requirements for a further 18 months, and the second provision is to alter the funding arrangements under the Unemployment Insurance Act.

I recognize that the question of unemployment insurance is one that has occupied a great deal of time in the House over the years. If we took a measurement, I suspect we would find that there is no area of public policy which has occupied more time in *Hansard* than that particular issue.

● (1520)

I think it is important that we do consider the relevancy and the importance of unemployment insurance as it applies to the changing employment conditions in this country as they will take place in the 1980s. As we have indicated previously in this House, we do intend to make a full review of the unemployment insurance program, a review which was started under both my predecessors, the hon. Mr. Cullen and the Hon. R. Atkey. We hope to complete that process by this fall so a paper can be presented to Parliament for consideration.

I would suggest to hon. members that they will have more than a full opportunity to discuss the many concerns they will have relating to the application of the Unemployment Insurance Act, and to present their cases, when the white paper, the green paper, the orange paper, whichever colour it happens to be, is presented to Parliament.

What we have in this bill does not represent major changes in policy, but very necessary and expedient alterations in order to maintain the continuity of the present act. Perhaps the one thing that is most important to members, and the one that we should spend some time on, retracing the history of it, is the proposal to refinance the benefit portions of the unemployment insurance program, as contained in Bill C-3. It is important to take a few minutes to look at the evolution of the financing of this act in order to understand the context in which these present amendments are being introduced.

Before the 1971 changes to the Unemployment Insurance Act the program was financed by means of equal contributions

by employers and employees of approximately 40 per cent each. The federal government contributed 20 per cent of the over-all cost of unemployment insurance benefits at that point in time.

In the 1971 legislation these financial provisions were modified as part of the over-all revision of the benefit structure. That is something my colleague before me was very much instrumental in bringing about. The private sector under the 1971 amendments financed a share of the initial regular benefits up to the point where the unemployment rate reached 4 per cent. Beyond that the government picked up the cost of benefits, beyond the 4 per cent rate. In addition, the government assumed full responsibility for the other two phases of the Unemployment Insurance Act, the labour force extended benefits and the regional extended benefits. Administrative costs were charged against the premium account of unemployment insurance.

In 1976 that formula was changed to replace the 4 per cent unemployment rate by an eight-year moving average of national unemployment rates. In 1978 this eight-year formula for financing the first phase was extended to cover also the second phase of benefits, the labour extended phase of the program. Previously this phase had been totally financed by the general revenues of the Government of Canada.

The current situation, therefore, we now find ourselves in is that the government pays the full cost of the regional extended benefits, and shares with employers and employees the cost of both the initial regular benefits and the labour force extended benefits. Thus the total government share of the cost of the program in 1979 was 31 per cent.

Under the financing amendment that is being put forward in Bill C-3, the government will continue to bear the full cost of the regional extended benefits, while the private sector through its premium contributions will pay for the initial regular benefits and the labour force extended benefits of the program.

There is, I believe, an important principle underlying this formula, and that is that the first two phases of unemployment insurance benefits are those which are based on the insurance principle, a principle that goes back to the original concept of the Unemployment Insurance Act, namely, a voluntary insurance program to deal with short-term unemployment problems. It is important to recognize that principle because, in terms of the over-all direction of the review, the restoration of the idea, or the insurance concept or principle, is a very important guideline to use in any proposal or direction we would want to follow.

If the change in this financing formula is approved by Parliament and is effective as of July 1, 1980, it will mean the Government of Canada will save some $378 million in direct government expenditures, a saving that I think members of this House will recognize as very important in this time of very severe restraints on government funds available for other programs. As a result, the government's share of the cost of unemployment insurance benefits will be reduced to about 20 per cent. It should be noted that this formula, this figure, or this percentage point, is in line with the 1971 position in respect of unemployment insurance.

I should also remind members of the House that the review or revision of the financing formula is also in line with changes made previously for charging the costs of job referral and employment services to the unemployment insurance premium account effective as of April 1, 1980. The additional administrative charges under these amendments to the regulations total some $246 million in the current fiscal year.

The reason for that change, as hon. members will recall, is that in 1977 Parliament approved the integration of the Unemployment Insurance Commission under the Department of Manpower and Immigration. That legislative change brought in the Unemployment Insurance Commission with full responsibility for the National Employment Service. That integration of the two operating parts of the department is now nearing completion, and it means, through integration, that we hope to be able to achieve greater efficiency and effectiveness in the ability of placing people and providing job referral service for the private sector.

The integration of the employment and insurance services is further strengthened by a program introducing online computer systems in our major employment and insurance offices across Canada.

One of these computer systems will provide faster and easier access to job vacancies for those looking for work, and will enable employers to draw upon a much wider labour pool for their jobs and employment requirements. The other on-line computer service we are introducing will enable insurance agents to provide claimants with much quicker and more up-to-date service on their claims. Needless to say, it will also provide the commission with the ability to provide a much higher degree of quality control of those claims, and we will be able to cut down on some of the problems that were posed to us in the Auditor General's report last fall.

Both these systems are now in limited use, but we are continuing the planned expanded operations beginning this year, and continuing into the mid-1980s.

We have also established a computerized national job bank to provide national exposure to jobs which cannot be filled from a local base.

With these changes in the operation of the commission, the integration plus the introduction of the new computerized service, it is logical that the costs of the employment services, as well as the unemployment insurance program administrative costs, be charged to the premiun account, because we are in effect providing a basic, necessary and essential service to the private sector. These services, I can attest to members of this House, are of substantial benefit to both employers and employees. If they were not provided by the commission, other and substantially more costly arrangements would have to be made by companies and private individuals. These considerations, therefore, buttress and reinforce the appropriateness of a financial contribution from the private sector to the administrative costs of the employment service.

It is also important to point out to members of the House that these proposals for the refinancing of the unemployment insurance program and the regulatory change as it applies to administrative cost, are unchanged from those that were proposed by the previous government last December. However, there is one significant change from the approach of the previous administration, and that is that we will not in this calendar year increase premiums to cover the cost. We have decided that no such increase is required for 1980.

● (1530)

The second aspect of the amendments under this bill is the proposed changes to extend the current variable entrance requirement of ten weeks to 14 weeks beyond December, 1980. It will be remembered that as a result of Bill C-27 the variable entrance requirement provision took effect in December, 1977, for a period of 36 months. If no contrary action is taken, the entrance requirement will become a flat, fixed, 14-week requirement across all regions as of December, 1980. Therefore I am requesting Parliament to extend the variable entrance requirement for a further 18 months to June, 1982.

[*Translation*]

Of course, I am fully aware of the concerns expressed by a number of members about matters directly related to the variable entrance requirement. I wish to point out that we have almost completed our review of steps aimed at alleviating problems caused by economic areas in determining the entrance requirement. Hon. members will then be in a position to assess those proposals.

As all hon. members know, the issue of the most appropriate entrance requirement for the UI program is difficult and contentious. It would be premature to take decisions in this area for the longer term without seriously examining other basic aspects of program objectives and design. Consequently, I am proposing to undertake a review of the fundamentals of the UI program. I will have more to say about the nature and content of that review in a few moments.

[*English*]

I should now like to outline my intentions with respect to one final area within the changes contemplated within the unemployment insurance program, and it is a regulatory change affecting minimum insurability. Before 1979 this insurability was determined by a specified amount of weekly earnings. In 1978 the amount was in fact one-fifth of the maximum weekly insurable earnings. This arrangement was criticized on the grounds that the insurability was extended to those who worked for relatively few hours, but was denied to those who worked long hours at relatively low wage rates.

Consequently an amendment was put into effect in January, 1979. The 1979 regulation changes provided for a minimum of 20 hours a week for employees on a time worked or fixed salary basis and 30 per cent of maximal insurable earnings for others. While this change solved one problem, it created several others which call for remedial action. The amended regulation has had a negative effect on particular categories of workers, especially women. Indeed many women who are in permanent part-time employment have been denied insurance protection under that 1979 change.

The significance of part-time work for women is illustrated by the fact that one out of every four women in this country is a part-time worker, whereas only one out of 17 men is a part-time worker. Therefore the onus of part-time work and the lack of insurance coverage under it obviously fall most heavily upon women in our society, and I think it is important that we provide some correction to that problem.

I have examined a number of options for changes in the current regulations. The best solution that we have been able to devise in terms of equitable treatment of workers and the provision of adequate coverage of part-time employment would be to determine minimum insurability on the basis of either hours or weekly earnings. Specifically, therefore, I am proposing that an individual who earns either one-fifth of the maximum weekly insurable earnings or works 15 hours a week would be eligible for coverage and benefits under the unemployment insurance program. I should emphasize that these are regulatory changes that can be made under the existing provisions of the act.

When fully implemented, the effect of this change would be to extend unemployment insurance coverage to approximately 300,000 workers at an annual additional cost of $100 million, of which $75 million will be charged to the premium account and $25 million will be charged to the federal government. The earliest practical date for changing the regulation is January 1, 1981, since earlier implementation would cause serious administrative difficulties for employers and Revenue Canada.

In the short time that I have been the Minister of Employment and Immigration, a spectrum of interrelated and conflicting views about unemployment insurance have been brought to my attention. I concluded, therefore, that it is time for substantive changes in the design of the program and that they should take place as soon as possible. At the same time it would have been irresponsible to have attempted to bring about that kind of change without taking the opportunity to review and assess the large amounts of material, submissions, briefs and proposals which have been collected by my predecessors, the hon. member for Sarnia and Mr. Atkey during their terms of office.

During this time a large number of valuable assessments and analyses of the programs were undertaken, and they are now in the possession of the department. It is our intention to take that large volume of material and to distill it down into a succinct and simple series of proposals which can be presented in a paper which can be examined by a committee of this House and which can then receive further review by the private sector.

However, I should say that certain positions taken by the previous Conservative government relating to its own review have caused me particular difficulty and, therefore, they will not be included as part of the terms of reference. In particular I refer to the attempt by that government to introduce that

examination of the two-tier benefit structure which, I believe, would have a severe discriminatory effect upon women. That study will not be included as part of the examinations and proposals for review. Moreover, many of the other proposals would have contributed significantly to the increased complexity of the program, despite the fact that one of the major objectives of a review of unemployment insurance should be to streamline and simplify the act to facilitate its administration and its public understanding.

Therefore I instructed the officials of the employment and immigration department to prepare terms of reference for a review of unemployment insurance which will be carried out by a special task force over the next several months. Once this task force, as I have said, has been able to compile and distill that material, we will then present the findings by means of a paper which can be examined by Parliament and, through a parliamentary committee, which can be given further extensive review by the private sector. That does not mean that we will exclude any representations made to us during that period of time, but we do feel that we have a wide spectrum of material from a wide variety of sources which will enable us to carry out the examination that we require.

Among the tasks to be undertaken in this review is the clarification of the insurance elements of the program and the confirmation of the important role that the unemployment insurance program will continue to play now and in the future. At the same time we must also ask ourselves whether or not other programs could respond more effectively to some of the needs which, for a variety of reasons, are presently being carried out by the unemployment insurance program.

As hon. members will know, our government is intending to organize a major conference on pensions in the fall. We are also undertaking major examinations of the social security programs. It is in the context of that ongoing assessment by the government of a number of service programs that the unemployment insurance capacity and ability must be measured. It will also be very important to take into account the initiatives which we are presently examining in the area of industrial adjustment.

● (1540)

Members of the House will recognize that in the discussions and debate so far concerning the serious problems of the automobile industry and some of the dislocations which will be experienced by certain industrial sectors as a consequence of the major changes in the tariff laws of this country, there will be requirements for readjustment. We are presently examining these questions with certain trade unions and employers to see what the best procedure would be and how it should relate to the over-all program of unemployment insurance.

Among other items to be included in the review are the streamlining and simplification of the benefit entitlement and qualifying provisions including those relating to regular and special benefits for sickness, maternity, and retirement; the role and impact of regional extended benefits; the use of unemployment rates in the determination of UI benefit entitlement; the treatment of those who voluntarily quit their jobs without just cause; the coverage of and benefits for workers in highly seasonal occupations, and the impact of the unemployment insurance program on income distribution and redistribution. Madam Speaker, I should add as well the major importance we put upon examining the whole question of economic boundaries used for the allocation of benefits, and the need to provide for a serious review and reform of that area of the act.

I shall make available to members of the House the detailed terms of reference covering these and other matters as soon as they are completed, which I hope will be within a very few weeks.

In closing, Mr. Speaker, I should like to underline the importance of the review which I am announcing today and the direction in which we want to go which will be a matter of substantial importance to all members of the House. Unemployment insurance is one of the foundation programs that underlies the protection of workers in this country. We will want to ensure that employees and employers and all other interested groups are given a full opportunity to be heard and to be represented with their views.

It is our intention to use Parliament as the forum within which that representation and consultation can take place. I would urge members to work with us in the examination of the unemployment insurance program as the review proceeds and as that paper is produced and, at the same time, through their own contacts and through discussions in their constituencies, to begin developing assessments in their regions.

I would remind hon. members that the review lies ahead and that the bill does not concern the review itself. Rather, it is very simply directed toward the specific objective of an examination of the variable entrance requirement so that that particular program can be extended while more major and fundamental changes are taking place. It will also provide for a refinancing of the program both to assist in the support of government financing and in restoring the basic essence of the insurance principle to the program.

With those short comments, Mr. Speaker, I would urge hon. members to approve the measure. There will be a full opportunity at the Standing Committee on Labour, Manpower and Immigration to examine the bill in detail. I hope hon. members will give speedy passage to this bill on second reading.

Some hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, may I begin with a point of order. In the minister's speech he made two announcements, one regarding regulatory change as it affects part-time workers, and the second about the creation of a task force. Would it be in order to have a brief question period about those two announcements before we proceed with debate on Bill C-3?

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Calgary West (Mr. Hawkes) suggests a brief question period and asks whether that is in order. It would be

in order if he sought and acquired the unanimous consent of the House, but not otherwise.

Mr. Hawkes: Would the minister be agreeable to just a few brief questions regarding those two announcements, the provision of regulatory change and the appointment of a task force?

The Acting Speaker (Mr. Blaker): Order, please. It is not a question of whether the minister is agreeable. The Chair does not establish rules on a personal basis. The will of the members is reflected in the standing orders but, from time to time, members may want to change the manner of proceeding, and that is agreeable as long as it is unanimous. It may be that the minister is prepared to answer questions, but I could not permit him to do so unless the hon. member sought and acquired the unanimous consent of the House.

Mr. Collenette: On that point of order, Mr. Speaker, I have not discussed this with the minister, but had he chosen to make a statement at three o'clock in the usual way during routine proceedings, he would have done so, and questions could have followed. I suggest to the hon. member that he will have adequate opportunity to question the minister and his officials when this bill goes to committee. There may be a disposition at the end of his speech for the minister to answer a question, as is done from time to time. I think it would be setting a dangerous precedent, however, if we transferred the work of the standing committees into this place when we are discussing the broad principles of the bill on second reading. This bill will not be going to Committee of the Whole but to the standing committee, where there will be ample opportunity for the hon. member to cross-examine the minister and his officials.

Mr. Hawkes: Mr. Speaker, I might begin by pointing out that we are already two and one half months into this Parliament and the Standing Committee on Labour, Manpower and Immigration has yet to meet, other than for purposes of organization. Our opportunity to question the minister regarding his estimates and his bills has been severely limited as a result. I would urge the government House leader and the party opposite to get on with holding these meetings so that we can get the information we require.

Mr. Collenette: You are a member of the steering committee.

Mr. Hawkes: Mr. Speaker, that is incorrect. I am not a member of the steering committee.

Mr. Collenette: You should be if you are interested.

Mr. Hawkes: We are here today to give second reading to Bill C-3, an act to amend the Unemployment Insurance Act. This is the eighth time since 1971 that the government has brought forward an amendment to the Unemployment Insurance Act, which I think points to the fact that the bill is not exactly a shining star but might be referred to as a tarnished star. It requires constant change because it was badly drafted in the first instance and its continued use gives the minister, his departmental officials, and the Canadian public, considerable difficulty.

The bill was drafted by the previous government in the Thirty-first Parliament. As the minister has said, it addresses itself to two basic principles. The official opposition would agree with those principles at this point but, nevertheless, I should like to review them for just a second.

The bill extends to June, 1982, the variable entrance requirements. What that means in the case of some Canadians who may be less familiar with the language than are members of this House, is that in the high unemployment regions of this country one is required to work for as little as ten weeks before becoming eligible for benefits from the unemployment insurance fund, while in other areas the minimum is 14 weeks. I think some other members on this side of the House will address themselves to the difficulty this causes in their ridings.

Whether or not difficulties are caused by this provision, it has become increasingly clear that, as a result of the economic policy set by the government opposite, we have had a decade in which to begin to correct the regional unemployment imbalances in this country, yet in the year 1980 we are no further ahead than a decade ago and in many instances we are further behind.

The variable entrance requirement is a humane provision and is designed to help those who need help most. Members on this side of the House are consistently committed to that principle. On this side of the House we believe that social policy should be directed toward those who need the help of that policy the most. Therefore we are prepared to support the extension of that principle until June, 1982.

● (1550)

As an aside, I might point out that that is the clearest indication, despite repeated questioning in Committee of the Whole on Bill C-19, from this minister that he expects a high unemployment rate to continue through at least until June, 1982. If the minister opposite felt that there was going to be some kind of dramatic turn-around, he would not have asked us for this longer term extension of the variable entrance requirement provision.

The second aspect of Bill C-3 is, as the minister says, taking the money, taking the benefits or the premiums paid in and the obligations or the benefits which are paid out and taking those out of general revenue and moving them back into a readily identifiable insurance fund. That was an idea which members of the Conservative party came up with, and is a measure which we fully support. If we are going to call this an unemployment insurance fund, then I think there should be a recognizable fund. The value of such a recognizable fund is that Canadians can look at that fund and they can tell whether or not that fund is in or out of balance. They can tell what their premiums are doing in relation to that fund. They can tell what the benefits are costing, and Canadians can decide whether or not it is in or out of balance, and what should be done about it. In a sense, it corrects one of the chronic habits of the party opposite, that of flimflam. This change in the law

will reduce the degree of flimflam. To that extent, I think Canadians will be the richer.

These two fairly simple and fairly quick changes will make the existing measure slightly better. However, we would like to emphasize that much remains to be done. The minister has indicated that he will appoint a special task force, that he will invite the participation of parliamentarians in the work of that task force. When I have had a better chance to check *Hansard*, I think that I will discover that at the same time he invites that participation—that he says that all Canadians should be involved, that there should be discussion—he rules out discussion on two or three of the aspects which require examination. We on this side of the House are convinced that they should be part of that discussion package. It is not good to hear on the one hand the kind of rhetoric which suggests participation and, on the other hand, to hear the specific details which restrict participation. I can assure the minister opposite that we will do our best to make sure that, to whatever extent he allows us to participate in that discussion, we broaden the terms of reference to include all of those items which we believe should be discussed.

Given that as background, I think it might be wise to take a minute or two to examine why we need and why we have such concern about an unemployment insurance program and fund. I agree with the minister opposite that this is a very important piece of social legislation.

Just before coming into the House I checked the figures and found that there are somewhere between 800,000 and 900,000 Canadians who are drawing benefits from this fund today. That figure is getting close to 8 per cent of the work force. Any piece of legislation that affects that many Canadians, families and dependants, is an important piece of legislation. But at the same time the very fact that this piece of legislation is important also addresses itself to the fact that we have a tremendous and growing unemployment problem in this country.

I have travelled this nation from coast to coast and I have done research work with the unemployed in this country. It is my conviction that a very large percentage of the unemployed in Canada—a very large percentage of those who draw unemployment insurance benefits—would rather work than be forced into the situation where they could not work because there was no work available.

We have said to the minister opposite on more than one occasion in the second reading debate on Bill C-19 and, in particular, in the Committee of the Whole procedure we asked the minister and suggested to him repeatedly that he has a kind of residual ministry. In other words, he picks up the problems that are caused by the Minister of Finance (Mr. MacEachen) and caused by other ministers in his government. We have suggested that he should be fighting for the unemployed in this country and quarrelling with the other ministers of the Crown by pushing them, and by getting them to do things that need doing in Canada. May I remind the minister of two or three of those.

Freedom of speech in this House was denied by a closure bill when we were debating the issue of borrowing $12 billion. We object, for many reasons, to the federal government borrowing that sum of money. As a previous government, we were reducing that figure. The figure would have been two-thirds the amount of what this government intends to borrow in this fiscal year.

The federal government is borrowing close to one-third of the money which is borrowed in this country. Money is borrowed on the basis of an auction market. When the federal government tries to buy money, it drives interest rates up. As a result, it makes the cost of purchasing a home more expensive, a car more expensive, and furniture more expensive. And yet the cost of money which goes up because of the federal government borrowing is the primary factor in the weakness of the Canadian economy, the lack of jobs existing in this country today and the lack of jobs which has existed for close to a decade.

No matter how often we bring up that subject or how forcefully we attempt to bring it up, hon. members opposite smile and take the easy political way out, and borrow more money tomorrow and make the situation worse.

On this side of the House we have said that a small expenditure relative to the better than $60 billion which this government intends to spend—a small portion of the $12 billion which it intends to borrow—a small portion of that should be dedicated to the housing industry. If we could put the building of 100,000 houses back on stream which this economy has lost this year—an expenditure of close to $100 million—we would create employment for 150,000 people as well as the housing units which this country needs.

On this side of the House we feel that it is always a tragedy when there are so many skilled people and dedicated Canadians who would like to work, but who through the actions of the government opposite are not allowed to work because the government is dedicated to the easy political solution rather than the long-term solid solution for the Canadian economy.

In the budget which members on that side of the House along with the NDP defeated in this House of Commons in December last, there were provisions for assistance to the fishing industry. They were designed to create jobs in the building of vessels. They were designed to create jobs for fishermen and jobs for those who work in the processing plants where the fish is canned and made available for the tables of Canadians. Those measures were eliminated by the Minister of Finance and they have not been replaced. The mortgage deductibility provisions designed to help housing were eliminated by the Minister of Finance and members opposite. Those measures have not been replaced and housing jobs are being lost.

● (1600)

I come from a region of this country, being the member for Calgary West, where the oil industry is a major industry, both in my city and province. I have begun to hear rumblings that, for the first time since 1975, there are drilling rigs which exist

in this country that are sitting idle. I have sat in this House and heard the Minister of Energy, Mines and Resources (Mr. Lalonde) tell us, "All is well. We won't have rationing. Those megaprojects, the security of oil from the oil sands, will occur. Price is not important."

That is absolute nonsense. That industry is worldwide. It is an industry unlike any other with which I am familiar. That is because the three major elements of that industry are mobile. The people are mobile and can go anywhere in the world. The drilling rigs are designed to be mobile so that they can work in muskeg and the oceans, and therefore can go anywhere in the world.

In the absence of a reasonable policy affecting that industry, I suggest to this House that that industry will for the most part leave this country. When it does, our dependence on unstable foreign sources of supply will increase. Our balance of payments will be in a more difficult position. The value of our currency will continue to fall and our unemployment rates will rise.

Anybody who ignores the reality of what I have just stated is inviting this country on a fairly long road toward increasing disaster. A country with the potential of the people and the resources that we have which heads toward a disaster is something that no thinking Canadian should tolerate. There is no logical reason for it. It is a consequence of political expediency dominating rational thought and rational action. As long as I am a member of this House and this party exists in this House, we will continue to fight to reduce the incidence of political expediency and increase the incidence of rational thought. The problems of this country require us to do no less.

As I sat here today, I looked at the unemployment insurance program. On the basis of a previous press release I knew the minister would stand in this House and tell us that the unemployment insurance fund would be in surplus and, therefore, premiums did not have to be increased. The minister used the rhetoric and said that he believes in the insurance principle. Well, one of the principles of an insurance fund that is really dominant, whether we are talking about house insurance or car insurance, is that we pay in premiums today because we know that somewhere down the road there will be a rainy day. That is what insurance is for, protection against that rainy day.

Under our government, that fund was left in surplus. However, it is a tiny surplus. The kind of unemployment rates which are projected by the private forecasters in this country suggest that that surplus will not last for any extended period of time. I thought, what will be the policy response of members opposite when that fund runs dry, when the claims are greater than the money that is in there to pay the claims? What will they do?

A rational man would say there would be three options. First, we could increase the premiums. The workers would pay and that would be a penalty on the workers. Second, we could decrease the benefits, and that is a penalty which the unemployed would have to suffer. Third, we could borrow more money. Nobody that you can touch or feel has to pay, but the whole society has to pay through increased interest rates and long-term debt which our children will have to pay.

When that happens, with that government opposite, will there be any question in the mind of any Canadian as to the option they are likely to prefer? None whatsoever. Clearly and consistently the option taken by that side of the House is to increase borrowing, not to help Canadians realize the relationship between costs and benefits, but simply to increase borrowing to hide, to take the problem of today and transfer it to the generation of tomorrow instead of facing up to it now. That is what will happen.

I wonder if the minister will consider in his task force and review inviting dialogue on what will be the proper policy response when and if the economic policies of his government cause the unemployment rolls to grow so much that the fund is out of balance. Certainly members on this side would like to make suggestions for positive economic change and to participate in that kind of dialogue.

I would like to raise just a few other matters for the minister's consideration. He told us today that the terms of reference for that task force are not complete. Hopefully the debate on Bill C-3 and the second reading stage will allow the minister to open his ears wide and listen to the positive suggestions as they come from any side of the House, and perhaps utilize some of them in the drafting of those terms of reference.

We support the need for a complete review of the unemployment insurance fund. One of the items which should be addressed in terms of its philosophy is whether the existence of such a fund and one's participation in it is a right or a privilege. From that decision flows a number of others, but it is fundamental. There must be some sense of philosophical underpinning to a piece of social legislation of this importance. Is the existence of this fund and this program a right or a privilege?

The minister has already indicated, and we support the fact, that there should be a review of the regulations as they affect those who voluntarily quit a job or whose job is terminated because of misconduct. I would like to think that some day the minister might make the data which he has on that issue available to the members of this House so that we can study it as well as he, and perhaps sometimes take a different interpretation of that data.

As I understand some of the rumours which float around, there is some indication that those who voluntarily quit or are dismissed for misconduct draw benefits for longer periods of time on average than those whose jobs are terminated due to other factors. If that is true and if the data supports that, we would like to know. If the data does not support it, we would like to know that also. The minister has such data in his possession, and I think it is time that reports of that nature were tabled in the House of Commons so that all Canadians, including hon. members on this side of the House, could have access to such data.

● (1610)

Not 20 or 30 minutes ago the minister stood in this House and indicated that he absolutely would not consider what he referred to as a two-tier benefit system. I ask the minister to reconsider for just one moment. If the minister believes what he said in another part of his statement, that in fact this should be an insurance fund, then I suggest to him that one of the common characteristics of insurance of any kind is that premiums relate to the possibility of benefits. If one has a very expensive car, one pays an increased premium, but if that car is wrecked one gets an increased benefit. The same is true of houses and of insurance generally. What we were examining when we were the government was the fact that with the inflation rates which the minister's government has caused in the last decade in Canada there is an increased need for income which does relate to the number of dependants one has, whether we are talking about a wife or a husband and children, or whether we are talking about parents, handicapped nieces or daughters.

If you have a job today and you have a family, you have a unit of some kind which is dependent on the income from that job. When that job disappears and you are unemployed, then it is not just you whose income suffers but it is also the incomes of all those who are supported by you. They suffer as well, and it seems to me that the minister could at least invite some sense of dialogue on whether this fund should have its premium rates and benefit rates based upon income need and upon whether one is supporting several people or supporting oneself. I have children of my own. They are young adults, really. They are out working in the work force. The cost of living for them is not as great as it would be if they were out of our home and living on their own. It is true also that their income is not as great, and it seems to me that unemployment insurance for them could involve a lower premium and a lower benefit.

A family man with eight or ten people to support should be able to pay a higher premium and receive a higher benefit. To deny that basic principle is to suggest that the minister is not telling us the truth when he tells us that he believes in an insurance fund. That is all right too, but I wish we could have it clear as we engage in his task force and in this dialogue.

I would like to suggest three or four other things, and then I will pass the podium on to other members of this House. I think it is time we examined the variable entrance requirement. The extension the minister has asked for today will take us through to June of 1982. That gives us sufficient time to look at the wisdom of the variable entrance requirement. In the constitutional debate there are many members of this House who have decried the fact that provincial governments are setting up barriers to employment. They are making provincial policies which give preference to buying from provincial firms. They are making the mobility of people difficult, and I suggest that the variable entrance requirement utilizes the the same kind of mentality. Yes, today it has a useful and needed social purpose, but it in itself is a barrier to labour mobility. If there are two or three fundamental principles on which this nation should be based, I would certainly think that the federal government should take a very solid leadership role in making it possible for goods, services and manpower to move freely from coast to coast and from north to south. If we are one nation, surely that must be one of the principles upon which this nation is based, and in that context the variable entrance requirement is a clause in a piece of legislation which bears examination, and not too long from now.

I was interested in the fact that the minister has moved, by regulation, to change the picture of our unemployment insurance fund in the direction of inclusion of more part-time workers. I am disappointed that the minister did not see fit to make a statement at three o'clock this afternoon about that significant change and thus open the floor to at least a brief question period in which we could have discovered some of the details of that and have had a more adequate chance to respond to that provision. It seems to me to leave several questions hanging. The minister might choose to put out a press statement or in some other way to communicate and answer questions about that part-time provision. However, can an employee, who will now be eligible if he works 15 hours a week rather than 20, work ten hours for one firm and five for another, or are those 15 all to be spent working for one firm? That is one question. After the minister's announcement this afternoon Canadians out there will be confused.

In his statement the minister just told us that he wants to eliminate confusion. Perhaps it is time for the minister or perhaps a speaker from the other side of the House to speak briefly, but it is time to address that question. Will that apply to a single employer or can multiple employers be involved?

The minister threw some numbers at us. He said this will amount to a $100 million expenditure in the next fiscal year, and he anticipates that $75 million of that will come out of the fund itself and $25 million will have to be contributed by government. Where did those numbers come from? Where are the increased benefits? It is possible that the fund may grow by $150 million and the benefits by $75 million, in which case the minister is very cleverly increasing the funding and doing so by riding on the backs of part-time workers and women in this nation whom he so clearly indicates so often he desires to help and protect. We need an answer to that kind of question before we can decide whether the minister has invented a new way of ripping off the women of the world or benefiting the women of the world. In the absence of that data we on this side of the House cannot tell.

If the minister has made this decision to include part-time workers in this way, I ask again whether he will make the data on which he based that decision available to hon. members on this side of the House so that we can see it and draw our own conclusions.

I would like to move on to the last two or three items. In his statement on employment creation and in the background paper the minister has given us some indication that unemployment insurance funds are being experimented with on a very small scale in different parts of the country. Again I would like to see the data that those experiments are producing, but I would also like the minister to include clearly in his

terms of reference an examination of the issue of the alternate use of funds payable as benefits out of the unemployment insurance fund. It is possible that society would mandate and the beneficiaries of the fund would like the opportunity to use that benefit period to involve themselves in job training and in the creation of work which would benefit the community in some way.

● (1620)

My personal experience from coast to coast suggests that Canadians do aspire to getting ahead in the world, they want to progress. If there comes a time when their job disappears and they are eligible for unemployment insurance, there would be a lot of backing for a principle which encourages people during that period of time to do something socially useful by creating useful work, or to do something in the way of getting increased personal training which would increase their chances of employment and the possibility of contributing to society. I hope that this issue is one that will be clearly highlighted in the terms of reference which the minister has promised to produce.

Another issue which I do not believe he mentioned is the principle of allowable earnings. I should like to recount briefly a small personal experience. Some six years ago I was in a small community in the maritime region where I stayed in a small motel. On the day that I arrived, the storm door in that motel was swinging in the breeze. I stayed in the motel for a week. As the week progressed, that storm door chewed up the door frame. Eventually it started to damage the inner door.

I went to the owner of that motel and asked him why he did not repair the door at the beginning of the week, before it got worse. He said, "You have not looked out the front door. Right across the street is the unemployment insurance office. If any carpenter were to come and give me one or two hours of his time to fix my door, he would have to wait two or three weeks to become eligible again for unemployment insurance. The carpenters in this town have a family to support and cannot afford to work for one or two hours and have to give up three weeks of benefits." That is the principle involved in the allowable earnings provision. There is a penalty for unemployed people in this country who are drawing benefits and who take some work for a brief period. That provision should be changed as quickly as possible, and I hope this will be highlighted by the minister's task force.

Last, but perhaps not least, as I understand this complex act which has been amended many times, is the matter of the penalty provision for employers. We talk a lot in this society about the individuals who rip off the fund and about controlling them. We have penalties for those who lay false claims and who take benefits to which they are not entitled. But where do we examine the issue of employers who fabricate information and who keep the work force together by inflating potential earnings? Where in this review are we going to examine the issue of such employers? Because the suspicion has existed, ever since the Auditor General's report came out stating that there were $300 million in overpayments last year out of this fund, illegal overpayments, that those overpayments were caused in a systematic way as a result of information provided by employers.

Every employer in this country is now accused and guilty by association simply because he is an employer. All of us in this House know that not all employers are guilty of this, that it is possible that there are a few employers in this country who are responsible. I hope that the minister's task force will highlight that issue and that the terms of reference will permit the task force to engage in a full and complete discussion of that principle.

Mr. Neil Young (Beaches): Mr. Speaker, as I understand it, the intent of this bill is to extend to January, 1982, the existing variable entrance requirement for the unemployment insurance program, that is, the number of weeks a claimant must pay into unemployment insurance before he is eligible for benefits. The number of required weeks varies with the regional rate of unemployment, so that a worker in an area of high unemployment of 9 per cent or over could qualify for benefits with ten weeks insurable employment, whereas a claimant who works in an area of relatively low unemployment, a rate of 6 per cent or less, would be required to pay into unemployment insurance for 14 weeks.

In July of 1977 Bill C-27 was passed, which increased the entrance requirement from eight weeks for all areas to the variable of ten to 14 weeks requirement.

In 1978, under Bill C-14, the Unemployment Insurance Act was further amended to eliminate the variable entrance requirement for all areas by December, 1980, setting it at a uniform 14 weeks of UI contributions in order to qualify for benefits.

The extension of the variable entrance requirements with which we are dealing today is, I believe, in response to protests that the 14-week requirement would be highly discriminatory and would eliminate many workers from any income protection under the unemployment insurance program. Seasonal workers, whether employed in the tourist industry of Prince Edward Island, in the fishing industry of the Atlantic or Pacific coasts, or farmers in any part of Canada, would have been largely ineligible for benefits under this provision.

It is also the intent of this bill to shift to the private sector, that is, to the premium payers, the government's financial responsibility of sharing the costs of unemployment insurance. Bill C-3 will take the government out of this cost-sharing by eliminating the threshold rate which is an eight-year moving average of unemployment rates above which the government pays the costs of benefits. According to the government's figures, this shift is expected to cost Canadians an additional $378 million in the fiscal year 1980-81.

Under the proposed amendment, the government will continue to pay only for regional extended benefits. The initial and extended labour force phases of unemployment insurance will be paid entirely through employer-employee premiums.

At present all special benefit phases, that is, sickness, maternity leave, etc., are financed entirely through the premium

account, as are all administrative costs relating to the unemployment insurance program. As a result of an order in council announced by the minister on April 3, 1980, the administrative costs of the national employment service estimated at $246 million this year, will also be a charge against premiums.

Historically, unemployment insurance has been financed from two sources; first, the premium account into which employer-employee premiums are deposited and, second, advances from the Government of Canada.

When the government passed the Unemployment Insurance Act in 1971, it predicated the legislation on an average 4 per cent rate of unemployment throughout the decade. Benefit costs of unemployment insurance up to the rate of 4 per cent unemployment were to be paid by employer-employee premiums. Costs that resulted from a rate higher than 4 per cent were to be recovered from the Government of Canada.

I see that the hon. member for Lincoln (Mr. Mackasey) is in his seat. He was minister at the time when the act was originated and introduced to Parliament. He must be squirming in his seat when he sees what this government is doing to the legislation, which was extremely progressive when it was introduced to Parliament, and what that party has done to the legislation since that time.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Young: The act required that when the premiums collected were higher than the benefits they were intended to cover, the premium rates would be lowered. Instead of this, the government increased premium rates over the years, changing the legislation and increasing the premium costs to cover program costs the government was originally supposed to cover.

● (1630)

In 1971 the Unemployment Insurance Act passed and unemployment was forecast at 4 per cent throughout the decade. Benefit costs of up to a 4 per cent rate of unemployment were to be paid from premiums, with the government to pay for benefits above that level in recognition of the government's responsibility to ensure adequate employment. In 1975, under Bill C-69, the rate at which government contributions helped to pay for initial benefits rose from 4 per cent and was changed to an eight-year moving average of unemployment rates. In 1977 Bill C-27 eliminated the two extended benefit phases for which the government and not premium payers were previously responsible for paying. In 1978, under Bill C-14, the government again shifted the cost of the extended phase of benefits to premium payers at a cost to Canadian workers of some $400 million.

In the 1979-1980 Conservative budget all benefits except regional extended benefits would have been financed by employer-employee premiums and the administrative costs of job referral and employment services also would have been financed by premiums. Under the Conservative budget the premiums would have been increased to cover increased costs. This announcement was made by the Conservative government on December 11, 1979, and the premium increases were rescinded on December 19, 1979, when the Conservative government found they were vulnerable to voter backlash in an election campaign. These are the same changes this government is making with Bill C-3, only they have announced that premiums will not increase in 1980 over 1979. But what the government and the minister do not talk about, or even mention, is what will happen to premiums in 1981 or in future years when the present surplus is expended.

The shift from the government side of the ledger to the premium payers is rationalized by government officials as a shift from the income transfers aspect to some insurance principles. The fact that unemployment insurance was set up originally to protect workers against the risks inherent in an economic system over which they had little control, and the fact that the government has the ability and responsibility to influence the working of the economy to ensure full employment, are ignored in this kind of thinking.

When Bill C-14 was passed in December, 1978, the Liberals touted it as a measure to save $580 million. In fact the savings were $180 million or less; the other $400 million was merely a transfer of costs from the federal account to the premium account. From the early seventies on, when the government contribution to unemployment insurance payout was 53 per cent, the government's share has since declined to 38 per cent after the 1977 amendments and to something today which is well below that after the 1978 amendments. The intent of this legislation is to reduce it even further, to less than 20 per cent of the government costs.

The Canada Employment and Immigration Commission projects the total unemployment insurance program costs for 1981-1982 to be in the area of $5.2 billion, while government contributions are projected at $951 million. The government line in bringing forward these kinds of programs is that they are improving the unemployment insurance program with better program equity and cost effectiveness. In fact the government is destroying the vested interest it has in ensuring full employment and is shifting the additional costs to those who are still employed.

Unemployment traditionally has been defined in several categories: (a) seasonal, which covers fishing, tourism, etc.; (b) frictional, which is short-term, resulting from workers moving into the labour force or from job to job; (c) cyclical, which includes idle workers and idle machines as a result of low demand; (d) structural, resulting from skill or geographical mismatching.

With the rise in the unemployment rate over the 1970s, we now have to deal with the new definition of insurance-induced unemployment, supposedly provoked by misguided generosity which encourages some workers to collect unemployment insurance instead of taking available jobs. This definition has been used consistently by government officials who rationalize changes to the unemployment insurance scheme by talking about people who rip off the system by making unemployment

a way of life, or who want to change the system to remove disincentives to work. This tactic is reminiscent of the way in which the war on poverty became the war on the poor in the 1960s. Today we witness the problem of unemployment becoming the problem of the unemployed. These arguments do nothing to address the problem of unemployment which stands officially, as of May, 1980, at 7.8 per cent, or 904,000 people unemployed. When we take a look at the hidden unemployed, the real jobless rate is somewhere in the area of 11.7 per cent, or 1,411,000 Canadians out of work.

A government committed to reducing unemployment in this country could quite easily set targets for lower rates, as was done in the United States with the Humphrey-Hawkins bill passed in October, 1978. This bill endeavoured to establish opportunity for work as a basic right and set a target of 4 per cent unemployment by 1983 in the United States. Instead of doing something like that, the Canadian government decided that full employment is now double the figure which the Economic Council set at 3 per cent in the 1960s. The Economic Council of Canada in "Two Cheers for the Eighties" set the equilibrium unemployment rate at 6 per cent. In economic terms this is the rate of unemployment that can be maintained without creating inflationary pressure in the labour market. From the point of view of policymaking, these rates are enormously important in so far as at least the government uses them as targets. In effect these rates determine the degree of goverment commitment to policies which encourage the growth of employment. Since the government is eliminating its vested interest in maintaining low levels of unemployment in this country, it appears that the government has simply thrown up its hands and no longer knows what to do.

During the 1980 election campaign, members of the NDP called for the introduction of a full employment bill which would set targets for reducing unemployment to 6 per cent by 1982 and to 4 per cent by 1984. It is important to note in this connection that for every one job created in producing a resource, another six jobs are created in processing it, and yet these are the same jobs we have been exporting from Canada for years.

● (1640)

Unemployment and the costs of unemployment now amount to something in the order of $5 billion annually in lost production, goods and services. It costs us an additional $1 billion a year in lost federal tax revenues, and it costs us a further $5 billion per year in unemployment insurance pay-outs. It should also be pointed out that a Conference Board study in 1976 showed that for every 1 per cent drop in the rate of unemployment, unemployment insurance pay-outs would be reduced by some $500 million annually.

In the press release in which the minister announced Bill C-3, he also announced the government's intention to right part of the wrong his government had inflicted on part-time workers under the unemployment insurance program when the government previously amended the Unemployment Insurance Act. According to this press release, the government intends to introduce regulating changes to be effective in January, 1981, which would change the minimum insurability requirements from 20 hours per week to 15 hours per week, or 20 per cent of maximum insurable earnings.

The minister in that press release cited this move as an improvement that would eliminate charges that the existing rule discriminates against women who make up 71 per cent of the part-time labour force. About 42,000 part-time workers lost their eligibility for unemployment insurance benefits in December, 1978, when Parliament passed legislation disqualifying those who work fewer than 20 hours a week.

According to the minister of manpower and immigration at that time the change was part of a package of cutbacks designed to reduce payments from the unemployment insurance funds, to the tune of $1 billion annually. The estimated cost to part-time workers on an annual basis at that time was some $60 million. The present Minister of Employment and Immigration (Mr. Axworthy), who is also the minister responsible for the status of women, likes to put himself forward as the champion of women's rights, and somewhat of a liberal reformer in this area. From what I have seen of the minister's actions since I came into this House, there is certainly very little to justify those claims. In fact, for all the verbiage he has gone through, he is no better and no worse than his predecessors in that portfolio.

An hon. Member: He is no worse?

Mr. Young: He is about the same. The minister follows the Liberal tradition of giving close attention when listening to the problems of women, but the end result when it comes to doing anything is the traditional pat on the head, but nothing of substance ever comes forward.

Some 20 per cent of working women are employed on a part-time basis in Canada as compared to 6 per cent of men who work part-time. Most of these women work part-time, not because they want to, but simply because there are not enough full-time jobs available.

Not too long ago the Social Planning Council of metropolitan Toronto published a document entitled "The Problem Is Jobs . . . Not People". It was a response to proposed revisions in the Unemployment Insurance Act by the then government which was formed by the same party in government today.

An hon. Member: The problem is Liberals.

Mr. Young: Right. Even though the figures may have changed somewhat, and are probably worse today than they were even then, I think these figures are still worthy of some attention. The Social Planning Council document said at that time in Toronto alone there were nearly 15 job hunters for every job vacancy, and 45 per cent of those job hunters were women, yet only 36.8 per cent of unemployment insurance claimants in Toronto were female because women actually under-use the system and are hesitant to claim benefits even though those benefits are rightfully theirs.

In addition, I want to tell the minister it is not only women and young people who are forced to be part-time workers today. Because of the high interest rate policies of this government and the resulting cutbacks in the construction industry, many construction workers are now employed part-time. The minister must be aware of this, and he must also know that the measures he is proposing in these amendments are misdirected and perpetuate further the injustices to our employed and unemployed, and do nothing to treat the root cause of the problem.

An hon. Member: He doesn't care.

Mr. Young: He doesn't care. The solution to the problems of unemployment will not be found in this government continuing to blame the unemployed for their own unemployment, or by shifting the costs of unemployment on to the backs of people who are fortunate enough to continue to be employed. The problems of unemployment will not go away by government officials distorting the facts about people who claim unemployment insurance benefits, or by continuing the myth that there is wholesale abuse of the system.

I picked up a newspaper the other day and saw that we are again about to be swamped with more horror stories on unemployment insurance abuse. In that paper there is an advertisement, inserted by the minister's department, and in huge black type it says: "A new way to detect Unemployment Insurance abuse". Generally speaking, in the text of this particular advertisement there is very little that is actually offensive, except that the average person probably took a look at that heading and came away thoroughly convinced the problems of unemployment insurance are somewhat synonymous again with people ripping off the system, when in fact the government's own figures show and prove, and I believe I am correct, that something just over 1 per cent of all claimants who collect unemployment insurance actually abuse the system. I think the hon. member for Lincoln would agree with me in that analysis of what happens under the unemployment insurance program. However, a substantial number of readers would not be left with that impression after looking at that heading. Whether or not that is intentional, the effect is to discredit the victims of unemployment, and is not justified by the facts, nor is this strategy used by the commission at all recent.

In the report I spoke about earlier from the Social Planning Council of metropolitan Toronto, they also found at that time that this same pattern the Unemployment Insurance Commission and the Department of Employment and Immigration are following today has been in existence for at least the last three or four years. I rather suspect, based on my experience before coming to this House, that the pressure which is applied on people drawing unemployment insurance was really created by the Conservative party in this House after 1972 when it created so much pressure on commission officials they started wholesale cutting off of people claiming benefits which were rightfully theirs, and in fact stigmatized people who found themselves unemployed with no other source of income except unemployment insurance benefits.

For the education of the minister, Mr. Speaker, I would like to read into the record the findings of the Social Planning Council of metropolitan Toronto in the statement released at that time headed "The Problem is Jobs . . . Not People". That Social Planning Council said—

An hon. Member: You had better wake up the minister first.

Mr. Young: If he reads it in *Hansard* it will educate him equally as well as listening to me. That council said:

> There is a pattern of citing individual cases of abuse and representing them as the universe. This is improper and irresponsible. Abuse is a relatively small problem for not only unemployment insurance but all income security programs. We do not assume all parents are child abusers or all taxpayers are tax abusers. We should not assume all the unemployed are insurance abusers. There is evidence that the limits of acceptability in controlling abuse have been far exceeded. The administration of unemployment insurance requires more socially acceptable forms of efficiency controls and an orientation that does not blame the victims of unemployment for their situation.
>
> Unemployment insurance is an income security program conditioned upon unemployment. As such it has important implications for family and child welfare. Cutbacks in the levels and access to unemployment insurance are unjustified attempts to punish all of the unemployed who are collecting benefits.

● (1650)

On that statement, Mr. Speaker, I thoroughly agree.

Mr. Huntington: Who wrote it?

Mr. Young: The Social Planning Council of metropolitan Toronto. I would be happy to provide the hon. member with a copy if it would be beneficial to him.

Attempts to refinance the unemployment insurance program through more extensive employer-employee contributions are both attempts to finance a social program through a regressive form of taxation, and an abrogation by the government of its legitimate responsibility for unemployment and its causes. Structural and seasonal unemployment results not from the normal operation of the employer-employee relationship, but from economic forces which the federal government has a responsibility to control.

The unemployment insurance system introduced in 1971 recognized the government's responsibility for the costs of unemployment by underwriting the costs of initial benefits resulting from an unemployment rate of over 4 per cent. That measure made it clear that the government was responsible for controlling unemployment, and it provided an incentive for the government to keep the unemployment rate down. Now the government is completely abrogating its responsibility. Unemployment insurance is seen by this government as a substitute for job-creation measures, and to follow such a policy, in my view, is to court disaster.

No unemployment insurance scheme can withstand the pressures created by massive and sustained unemployment, nor should it be expected to. The shell game that this government and that party continually play with unemployment, the cost of unemployment and the people of Canada, is really quite shameful. Unemployment insurance is social insurance. It

cannot be weighted against the insurance principles that are used in the commercial insurance industry, which is profit motivated. In addition, commercial insurance is voluntary whereas unemployment insurance is compulsory, and even to expect them to operate in the same fashion displays a real lack of appreciation for the worth of social programs and commitment to make them work for those in need.

Continually running away from the problems of unemployment or shifting the costs of unemployment onto Canadian wage earners will not do anything to solve the fundamental problems which are creating the crisis we find ourselves in today. The government knows or should know, as it has been told often enough, that we are suffering from some very basic structural weaknesses in the Canadian economy which, if not corrected, and if not taken hold of quickly will put us in an even worse mess than we are in today.

I look forward to the time when we will not have to be concerned with legislation that provides for programs like unemployment insurance, to times when government will have recognized, and will have been sensitive enough to recognize, that people's needs cannot and will not be met through the mish-mash of costly social security programs that exist in our country today. I look forward to the day when it is finally recognized that the Liberals and Tories with their piecemeal programs are costing the working people of Canada the right to a decent life for themselves and future generations to come.

I look forward to the day when the great potential of our country is used and developed in the interests of Canada, rather than the continual abuse of that potential by successive Liberal and Conservative governments. I have no doubt at all that day is coming and that Canada and Canadians will be the better for it, when they realize the mess those two parties have created in our country. We in this party oppose the measures proposed in this bill and we strongly urge the government to begin attacking unemployment rather than attacking Canada's unemployed.

In the throne speech the minister made some grand pronouncements about bringing forward long-term employment strategies. To date, the progams which the minister has brought forward are pure tokenism and will do nothing in the long range to cure the unemployment crisis which we face in this country. What we in this party are waiting anxiously to see is the day when that minister finally carries through with the promise that he made to the unemployed people in Canada, and come forward with policies which go toward creating useful job-creation programs to get the unemployed in this country back to work.

Hon. Bud Cullen (Sarnia): Mr. Speaker, I do not intend to spend a great deal of time talking about this bill on second reading. I want to compliment the minister for not waiting for a total review of the program before taking this particular initiative. I think that the minister has taken the appropriate action. I also want to compliment him for the changes which were made to a regulation which I, in fact, brought in when I had the honour to serve as the minister of that particular portfolio.

I was somewhat surprised by the stand taken by the hon. member for Calgary West (Mr. Hawkes) who indicated that on eight occasions legislation had been brought forward with regard to unemployment insurance. The fact is that we are in a changing economy and therefore changes must be made. The government's initiative to make the changes at the time they were made should be welcomed because they were, in fact, necessary.

The hon. member also bemoans the fact that the Standing Committee on Labour, Manpower and Immigration has not met. I would suggest that there is a certain amount of *mea culpa* on the part of the hon. member because since he is a member of that committee, I wonder how many times he has approached the chairman and asked for a meeting. After all, the members on the committee control when that committee meets and how often. Had we not spent so much time in the House dealing with Bill C-19, due in a large measure to the interventions of the hon. member for Calgary West, there would have been more time available for the minister to appear before the standing committee to answer the kinds of questions that he and other hon. members may wish to put.

The area in which I would like to compliment the minister for having made changes is the 20-hour week measure which worked to the disadvantage of temporary workers. At the time that measure was introduced, as the minister has indicated, the government was attempting to bring a sense of equity into the position whereby people who were earning small amounts of money per hour or were having to work longer hours in order to qualify for unemployment insurance benefits—yet those at the higher end of the wage scale could qualify for UI benefits by working for a few hours—would be protected. We thought that this measure would introduce some equity into the system as it affected the people who would qualify for unemployment insurance. One of the things that occurred was that it was abused by employers.

During the time that I did not serve as a member of Parliament, from the spring of 1979 to February, 1980, I had occasion to meet with part-time workers and union leaders and to spend a good deal of time looking at government legislation and its resultant impact on various areas. As a result of those meetings, particularly with the union leaders, one of the first things that I did when I came back to the House was to write to the minister and indicate that the 20-hour per week was being abused by employers, that the legislation should be changed, and that I hoped we would come up with some equitable arrangement which would not be detrimental to the people at the low end of the wage scale. The suggestion of one-fifth of the maximum earnings or the 15 hours is a step in the right direction, and I compliment the minister for taking that particular action.

● (1700)

This bill deals primarily with two areas, the first of which is the extension of the variable entrance requirement. Although the hon. member for Calgary West attacked the idea of the variable entrance requirement, he had to concede that perhaps

it was socially necessary at the present time. In different areas of this country there are different levels of unemployment or employment and, because of that, the variable entrance requirement has met a particular need. The people in those areas where it is difficult to get a job or difficult to get another job if one is laid off, will be able to qualify with ten weeks of work. People in areas such as the one I represent, where there is comparatively low unemployment, will be required to work 14 weeks before qualifying for unemployment insurance. I think that is appropriate.

It is even more appropriate that the minister took the initiative of extending the variable entrance requirement rather than simply relying on the act which would have required a 14-week entrance requirement right across the board. As the hon. member for Beaches (Mr. Young) indicated, this would work to the detriment of people in places like Prince Edward Island where they would find it difficult to get work for the number of weeks required in order to qualify for benefits. It could have happened that people who could least afford it could have been cut off from benefits, so I compliment the minister for extending the period.

I am pleased to see that the minister will embark on an extensive review of unemployment insurance. A vast amount of information is available as a result of studies which have been carried out, and I know that the minister will make that available to the public. In the past we have made information available when unemployment insurance legislation was being discussed so that people who wanted to be critical could at least be critical in a constructive manner, through knowing the facts. I welcome the minister's initiative in indicating that the review will take place.

I am particularly pleased that the minister has abandoned even considering the Conservative party's idea for a two-tier system. The hon. member for Calgary West spoke of something impacting more on women than on men in the work force, but if there is anything calculated to impact on women more than a two-tier system, I have yet to see it. I think the hon. member should consider what the results of a two-tier system would be. It probably was not implemented when his party took power, although they had talked so bravely and loudly about the two-tier system when they were in opposition, because they saw the difficulties with it.

I would remind the minister that a surprising amount of help is available from people who have the time to do research in other areas. Two writers in particular come to mind, although when I was minister I did not always agree with their conclusions and sometimes thought their research was suspect. Mr. Leonard Shifrin and Mr. Richard Gwyn are two writers with whom I did not always agree, but I always read their articles because I thought they had done the necessary research. A great deal of help is available from writers who specialize in particular subjects. I am sure that the Minister of Energy, Mines and Resources (Mr. Lalonde) and others interested in energy read Jeff Carruthers' columns. I would recommend to the minister that he read a certain group of writers because they have done the research and express a point of view. They may not always be right or fair, but I think it is worth while reading their columns.

When the minister referred to some of the areas that the intensive review would examine, he did not mention vacation pay. When I was minister I was able to make changes to ensure that separation pay would no longer be considered as income as this had the effect of delaying the payment of unemployment insurance. The same is probably more true of vacation pay. People earn vacation pay when they are working, not when they are on vacation. If they are laid off and then take their vacation pay, however, there is a certain delay before they can collect unemployment insurance because the vacation pay is computed into the income they receive after being laid off.

It is appropriate that vacation pay should not be counted as income when one considers how easy it makes the possibility of "diddling" the system. Some unions have taken the initiative of working hand in glove with the employer and trust companies and have arranged that employees take the pay on a regular weekly basis. The money is put into a trust fund while the employee is working and then, if he is laid off, the vacation pay is no longer payable to him and so he is able to collect his unemployment insurance more quickly.

Only 33 per cent of workers in Canada have some form of union membership, so it is the people who cannot organize who suffer. I do not know what the cost of this measure would be although I have heard figures of $90 million and $130 million. I feel strongly, however, that vacation pay earned while working should not be considered as income after an individual is laid off.

Another difficult decision facing the minister is how to weigh prompt service to those entitled to unemployment insurance against the control mechanism. Although the hon. member for Beaches spoke somewhat critically of a particular advertisement, I think the Unemployment Insurance Commission was trying to warn people that they were bringing in more control. Anyone who reads the report of the Unemployment Insurance Commission or the committee reports will realize that the commission is vitally concerned with control. They are also concerned with the fact that those people who are drawing unemployment insurance need it just as quickly as it is possible to get it.

The minister is going to have a difficult time determining just what the correct balance is as did a series of ministers before him. He must always be aware that people need this money and need it quickly. It is taxpayers' money, however, and control mechanisms must be built into the system.

There have been comments about the lack of new jobs in the economy, but the fact is that in excess of 250,000 new jobs have been created annually in recent years. The minister either has entered into or will enter into agreements with the provinces under the Adult Occupational Training Act. It is a very effective program which involves hundreds of millions of dollars and the close co-operation of the federal and provincial governments. It provides for the training of young people so that they will be ready to take jobs in the economy as they

arrive. To suggest that jobs are not being created is not correct.

The area of apprenticeship is one in which there could be improvement. Although this is an area of education which primarily comes under the jurisdiction of the provinces, the programs could be improved by additional funding.

The facts are that hundreds of millions of dollars are available for the creation of new jobs and that young people are being trained for the work force. This is more than tokenism.

I welcome the minister's initiative in bringing the bill forward at this time and. I am particularly pleased with the changes to the regulations. I commend to his attention the views I have expressed about the difficulties of balancing service with control, and I say, with respect, that something should be done about vacation pay.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I should like to speak for a few moments about the very important extension of the principle of the variable entrance requirements to the province of New Brunswick. There are some areas where this important principle could be improved and, after a few brief remarks, I shall make some recommendations to the minister on how to bring about this improvement.

The variable entrance requirements extended to June, 1982, by this bill confer a benefit on the province of New Brunswick. The benefit is measured with respect to the areas where the ten-week rule applies. Our experience has shown that the increase in demand for social service benefits in these areas has been less dramatic than in areas where the 14-week rule applies. This has resulted in a smaller drain on the funds that are available for social service benefits in the province of New Brunswick.

● (1710)

People who live in the areas where the ten-week rule applies receive the benefit of having greater assistance available to them sooner for the sustenance of their families and the provision of necessities. When people find themselves in the unfortunate position of having to rely on unemployment insurance benefits, I think it is important that those benefits should be conferred upon them as efficiently and as promptly as possible.

New Brunswick has a resource-based economy which is punctuated by seasonal employment and by industrialization that has advanced in recent years quite dramatically, but still does not fully challenge the capability of the labour force. Federal government policies enacted in the national interest have an immediate impact on New Brunswick because of its resource-based economy. Policies related to restraint, while necessary, as well as policies that restrict credit and policies that impose tight money, have negative effects on the economy of New Brunswick, and that economy is very slow to recover from them. Consequently, the variable entrance requirements are very necessary and an important measure for that province.

Many people who do not receive this benefit are treated unjustly in New Brunswick, because the method of identifying areas to receive the benefits of the variable entrance requirements fracture and divide the areas of high unemployment along administrative rather than economic lines. As an example, in the county of Madawaska, a work force composed of women travels to the county of Restigouche to assist in harvesting crops, in particular picking potatoes in the hot sun. This is done for very little pay. These women do not receive the benefit of the ten-week entrance requirement, while their co-workers who come from Restigouche county do receive that benefit. These people are very hard working. They travel not only to Restigouche county, but also to Ontario where they have engaged in picking tomatoes. Because they happen to live in Madawaska county, they have to meet the 14-week rule while their co-workers who live in Restigouche county have only the ten-week rule to meet. This is a division that is based upon administrative difficulties in the department, the location of unemployment insurance offices and districts, and not upon an economic basis.

In the Doaktown area in central New Brunswick we have great activity in lumber mills, lumber yards, and in woods work. Workers in these plants and places working side by side whose kids go to the same schools, who worship in the same churches and buy their groceries in the same country store, are treated differently. The workers who live in Northumberland county have to meet the ten-week rule. But those who live in the same general community with the same economic conditions, but who are on the York county side of the line, have the 14-week rule to meet. This is a basic unfairness.

Again, in terms of time, fishermen in our fishing villages along the coast may enter the program under the ten-week rule. But because that fishing village might be located in the same district as one of our principal cities, in a month's time an increase in employment in the city may change the statistics with no real change in the village or the economy of the village. This can find the son of the fisherman having to meet the 14-week rule. So we have a division in the same family in the same house.

This is the type of hardship which is created by this artificial type of zoning within the province. I am speaking about the need for more flexibility in drawing the guidelines, and relating them to economic factors rather than administrative ones.

My recommendation to the minister, and I make it most sincerely, is that he ask his senior staff to address the question of a better method of identifying the economic areas to which the variable entrance requirements will apply. I am certainly prepared to give him any assistance I can and I believe the minister of social services for the province of New Brunswick will only to be too glad to share his records also.

My first recommendation, therefore, is that we address this problem of zoning and attempt to identify the economic pockets of high unemployment more reliably.

Second, if it is really a complex and difficult problem fraught with insurmountable obstacles for his department, I would ask the minister to give serious consideration to identifying the whole province with the most favourable provisions in those cases where the province is small. Already major parts of the province are identified, and this would not be a very extensive development.

[*Translation*]

Mrs. Éva Côté (Rimouski): Mr. Speaker, the purpose of Bill C-3 before us today is to extend the application of the variable entrance requirement for unemployment insurance benefits. So this bill proposes to keep in force until June, 1982, the present requirement under which claimants must have accumulated between ten and 14 weeks of employment to qualify for benefits.

Under the variable entrance requirement, people living in areas where the rate of unemployment is high need a lesser number of weeks of insurable employment to qualify for unemployment insurance benefits than people living in areas with a low rate of unemployment. For example, when the rate of unemployment is 6 per cent or less, claimants need 14 weeks of work. When the rate of unemployment is above 9 per cent, they need only ten weeks of work. So unless Bill C-3 to amend the Unemployment Insurance Act is passed, the variable entrance requirement will become a fixed requirement of 14 weeks as early as December, 1980.

If, on the one hand, the qualification requirements for unemployment insurance benefits must not encourage unstable work patterns and encourage workers to remain unemployed, a fixed entrance requirement of 14 weeks would, on the other hand, have very different effects in the various parts of the country. It would affect a much greater proportion of workers in Quebec and the Atlantic provinces than in the prairies. In addition, under a fixed requirement, re-entrants—people who have drawn unemployment insurance benefits during the year—would need to have between 14 and 20 weeks of employment rather than between ten and 16 to qualify for benefits.

Mr. Speaker, the economic situation in Canada generally is difficult. What about the effects on a territory like the Lower St. Lawrence, the Gaspé Peninsula, Rimouski and Témiscouata where the rate of unemployment generally varies between 15 per cent and 30 per cent? Despite the good will and a real desire to work, our labour force cannot have steady employment. The socio-economic reality in that territory is creating a lot of seasonal jobs that we are trying to turn into permanent jobs through economic development policies but we do not always get the result we are hoping for. Our region is far from the large centres and therefore from the marketplaces. Moreover, there is already a major movement of the population away from the area because we cannot create enough permanent jobs to keep our workers, especially the young people who join the labour market.

• (1720)

If, in addition to this, we create an even more difficult situation by restricting eligibility for unemployment insurance by considering Canada as a whole as an economic region, again I say that this will be unfair to many Canadians who work at least periodically when they are able to do so, and it is certainly not because our labour force is lazy that our unemployment rates are scandalous. Mr. Speaker, I shall therefore have to vote for Bill C-3, even though a large proportion of the population of Rimouski and Témiscouata still suffers from Bill C-14 passed in 1978. At that time, a poor description of economic zones greatly disadvantaged thousands of workers. It is simply unthinkable to consider the unemployment of a constituency like Rimouski and Témiscouata with the Quebec economic region, and I find it unacceptable that the people of my riding will again be disadvantaged.

Even though Bill C-3 does not solve all my problems, the situation of the people of my constituency would worsen if this bill were not passed. Their already difficult situation would further deteriorate. I therefore hope, Mr. Speaker—and I would like to call on the solidarity and the support of my colleagues—that the workers of Rimouski and Témiscouata will be considered fairly as concerns eligibility for unemployment insurance benefits according to the economic capacity of the region to provide permanent employment.

Of course, Mr. Speaker, I would much prefer that the money of Canadian taxpayers be used to create jobs and to eliminate the social plight of unemployment, but we have to be realistic and recognize that some of our workers do not have the opportunity to find stable employment and that society must try to help them get through this difficult period. I have noted that the minister has stated his intention to publish relatively soon a white paper on the issue of unemployment insurance. I invite all my fellow citizens to welcome this document and to take positive steps so that unemployment insurance, which must be considered a major economic subject, will meet effectively and fairly the needs of the workers temporarily without a job. For my part, Mr. Speaker, I wish to assure the minister of my fullest co-operation, and I would like to remind him once again about the hardships suffered by the people of my constituency when they must be included in an economic area as large as that of Grand Portage, which includes the economic area of Quebec, which is quite dissimilar and cannot be compared to it.

[*English*]

Mr. Mel Gass (Malpeque): Mr. Speaker, I welcome this opportunity to participate in this debate regarding Bill C-3, an act to amend the Unemployment Insurance Act. The question of entitlement to benefits has been rather hazy in the past and I hope this act will move toward clarifying many questions Canadians have regarding unemployment insurance.

First of all I would like the record to show that I consider unemployment insurance as an insurance, not a welfare, pro-

gram. Unemployment insurance should be available to Canadians who are available for work. A person who is available to work, and chooses not to, should not be entitled to benefits. Unfortunately the vast majority of Canadians who are forced to collect do so through no fault of their own and would want nothing better than a job to go to in the morning. The past performance of the Liberal government has shown that it is becoming more and more difficult for Canadians to retain their jobs. This mismanagement of past Trudeau governments has discouraged growth in Canada.

In the last Parliament I had the opportunity to sit on the other side of the House with a government that saw that the backbone and the future of this country are with our small business community. If the climate is correctly set by the government, small business will flourish in this country, and fewer Canadians will be forced to collect unemployment insurance.

I would now like to point out some deficiencies in how the unemployment insurance program is operated at the present time. I am sure that many members in this House have had constituents who have received UIC benefits and then had to repay all, or a portion of the benefits they have received, back to the Unemployment Insurance Commission because of some error made by the commission. After receiving benefits for a number of weeks, the commission informs the recipient that he or she did not qualify for the benefits and that the money must be repaid. The average person who is collecting UIC is not in a position to repay the commission what he has already received and spent. Assuming errors will occur from time to time, perhaps some provisions could be written into the bill to protect the claimant from repaying when an overpayment has been made, provided the claimant has brought forward all the relevant documents when the claim is being processed.

There have been numerous changes to the program over the years which have drastically changed the rules for qualification. Many of the errors in processing have been made because even employees of the commission are unsure of the regulations from one day to the next. A person who qualified for benefits last year may not qualify this year, but the commission employee may not know the change in regulations. Surely the UIC regulations could be simplified so that even employees of the commission could understand them.

Another deficiency in the UIC program is that in some instances the employee is discouraged from working. In my own riding of Malpeque last fall, a number of constituents who worked for 13 weeks were able to collect, and a number of constituents who worked at the same location and for the same employer were kept on for an additional two weeks for a total of 15 and found that when they filed they were ineligible and would not be receiving any benefits at all. I find this totally unacceptable, that a person who works for 15 weeks cannot collect while a person who works for 13 for the same employer, doing the same job, can. There is something wrong with the system.

I would like to inform this House of the explanation I received from the local office of the Unemployment Insurance Commission in Prince Edward Island. The number of work weeks necessary before a person can file a claim is determined by the unemployment rate in the area the person makes the claim. Because it would be very difficult to determine the unemployment rate for any given day, the commission uses the unemployment rate for the area three months earlier than the time the person files his or her claim. If the unemployment is high, the number of work weeks necessary is lower than if the unemployment is low. What can happen is that unemployment rates change with the seasons.

● (1730)

The person who worked for 13 weeks in this case was judged at the end of August when the unemployment rate was high, and it was deemed that only 13 weeks work would be necessary in order to qualify for a claim. The person who worked 15 weeks, two weeks more than the person who worked 13, was judged in mid-September after the unemployment rate had been lowered. The result of all this was that this person had to have worked 16 weeks in order to qualify. This person received nothing. The person who had worked two weeks longer than an employee at the same place was a conscientious worker and worked two extra weeks. If he had been laid off with the others, he could have claimed and received benefits. Because this person worked the two extra weeks, he was penalized by the system.

It is extremely difficult to explain to this person the fairness of the unemployment insurance program. It is impossible to explain to that person that the system is fair, and I agree with that person that some changes have to be made. As one of Canada's 282 elected legislators, I feel that somehow we in the House have let that person down. Surely our purpose as members in this House is to draft legislation which is fair to all Canadians. Before the bill is passed I hope we will be able to say that it is a fair and just bill.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the inequities which have been pointed out in the act as it has existed, and the eligibility or ineligibility of individuals to benefit from the intentions of the act as it now stands, are things which I hope the minister will take into very serious consideration. This bill has a multitude of impacts upon the various programs which are under the minister's direction, one of which is that the rate of employment may indicate to those who assign public moneys and make-work projects how much money should be spent in a particular constituency.

I want to draw to the minister's attention the fact that a constituency such as mine, which happens to be largely villages, rural, and small towns, is rated not by the actual employment within the constituency itself but is rated for allocation of funds for make-work programs by the impact of employment in the cities of Fredericton and Saint John. There have been times in the last ten years when the city of Saint John has been considered to be almost overemployed. As a result of the statistics emanating from Saint John, the constituency of Carleton-Charlotte, which is next door on the west, has been denied the proper number of make-work programs

such as Canada Works, Young Canada Works, and the various other government programs which create employment for seasonal workers and summer workers particularly. This has militated against my constituency ever since this method of appraising the unemployment rate in my constituency has been in place.

As the hon. member for York-Sunbury (Mr. Howie) pointed out, it has also pitted one community against the other. As the hon. member for Malpeque (Mr. Gass) pointed out, if one worked in community A one might be eligible for unemployment insurance in community A. However, if perchance you lived in community B ten miles away, you might find that you have not in fact worked long enough beside your fellow man to be eligible for unemployment insurance. This is just absolutely inequitable, unfair, and needs reconsideration with regard to the eligibility of an area with respect to how much Canada Works money, how much Young Canada Works money, and how much make-work money from other projects can be made available to a constituency or a community.

As the hon. member for York-Sunbury mentioned, I happen to have a number of fishing communities in my constituency, but their eligibility is not assessed entirely by "how long did they fish" but, rather by "what is the estimate of the departmental statistician as to their eligibility", and that does not work. It is just not fair play to those communities.

The Auditor General suggested that there was a multitude of ineligible claims, amounting to $300 million, and I am going to tell the House from where one of those came. There happens to be a veteran of World War II in my constituency who is about 64 years of age and who worked for a farmer. He worked in two capacities, one as a farmer, and also for that farmer when he was constructing a house. He was considered eligible for unemployment insurance by all the regulatory bodies within the department until eventually it went to National Revenue. National Revenue came back to this poor fellow and said that somebody down the ladder made a mistake. He had drawn almost $1,200 which he has to pay back. I want to tell the minister that that man does not have and is not apt to be able to get $1,200 to repay.

This man has now been pushed into the courts by a change of interpretation of the regulations at a different level of government. I am advised that it is not the Department of Employment and Immigration which changed it but the Department of National Revenue. There is a conflict between the interpretation of the rules. This is militating against the fellow who needs unemployment insurance, and I can find no way to resolve this man's problem. These are things which I think the minister must consider with great care.

There are those in my area who would like to stay in the constituency of Carleton-Charlotte but, by virtue of the new interpretation of the unemployment insurance regulations, they can no longer get by with seasonal work. The seasonal worker is now leaving the community, and I have not been able to figure out, if this flow continues, just how long it will be possible to continue the seasonal operations of farming, fishing and forestry, which are the backbone of Carleton-Charlotte.

When unemployment insurance was introduced in the House, it was not intended that it should be instead of work. It was intended that those who could not get work in the communities in which they resided should have some help.

I point out to the House that there is another inequity in this structure which has again militated against rural communities, and I am sure that the Minister of Fisheries and Oceans (Mr. LeBlanc), who is looking at me in a rather critical way as usual, will support my statement.

Mr. LeBlanc: I am looking at you in a friendly way.

Mr. McCain: Good. I will probably need that friendship before we are through. It is a fact that if one lives in Toronto, Ottawa, or in other areas, there are commuter services which transport applicants for work to the centres in which work exists. I am sure there are people working in this city who travel by bus ten, 20 and sometimes 30 miles. They are therefore able to get to work, but if an unemployed individual who does not own a car lives 20 miles from an opportunity to work in rural Canada, that person is not eligible for unemployment insurance, even though he may be living in the home which he owns. It has been established—I am not sure just what it is—that if there is work within 25 to 35 miles of where you reside, you are not eligible for unemployment insurance.

These are inequities which were never intended, but they are the frugalities which have crept in because of a group of people who are administering this act and who are absolutely unaware of how the rest of Canada lives. It seems to me that some top person in the department drew the regulation and passed it down the line without having any knowledge of its impact or consequence.

I wish the minister would be concerned about these matters. I wish he would express some concern, show some interest, change the administration of this act and change some of the regulations because of the over-all consequence to seasonal workers, make-work projects and allocations to various constituencies. The hon. member for Rimouski (Mrs. Côté) was saying some of the same things I am trying to say. If that worker is seasonal and if there is work within a certain range, then with or without transportation, this means that no compensation through unemployment insurance is available.

• (1740)

I hope that the minister will take quite seriously the things that I am saying and give consideration to the requirements of rural Canada and of seasonally employed Canadians, and take the necessary steps to ensure that just because there have been some people who have tried to beat the system, those who have tried to act within it, and have been interpreted by the local office of the Canada employment service as having lived within it, should not be punished for having applied, been accepted, and having legally drawn money, and then be asked to pay it back, as my veteran has been asked to do. I hope there can be some recourse, I hope there can be a change in the tender hearted mercies of the minister and that he will correct the problems in Malpeque, Rimouski, York-Sunbury,

and Carleton-Charlotte. We cannot have people in neighbouring communities, whether it be in Westmorland-Kent, York-Sunbury, or Carleton-Charlotte, having ineligibility forced upon them, not by the employment within their own community but by the level of employment in the city of Fredericton or the city of Saint John.

That is the position in which I find myself as the member for Carleton-Charlotte. I put it to the minister, through you, Mr. Speaker, to take a look at it. Let us be a little more mobile than we have been, a little more susceptible to the needs of Canadians than the minister has shown himself to be when he turned down the Canadian Association for the Mentally Retarded when they asked for a grant under Young Canada Works.

Some hon. Members: Hear, hear!

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I would like to begin my remarks this evening by touching on a few areas that have been of some concern to me and to many of the people with whom I have worked for some time.

We oppose the bill, largely because of what we find to be an increasing inequity in terms of the payment of the cost of this very important and vital program. But later on in my remarks I want to deal with that issue a little more because what we have is a program in which the people who have the least end up paying the most to get less benefits than do others. That seems to us to turn the tables completely on what any social service or social insurance program should attempt to do.

One of the things I want to mention this evening has to do with some of the administrative and regulatory decisions which take place from time to time under the act. The first item is something with which we began to run into trouble one or two years ago. We used to have the practice, in many industrial operations, that when there was a lay-off, arrangements would be made within that plant so that the senior person could choose to take that lay-off and allow the junior employee to continue working. I think that to many people, at least in the labour force, it is a good thing to have happen, for a variety of reasons, including perhaps some economic savings to the program itself.

Why should it matter to the government who is laid off? If a company with 400 employees is going to lay off 200, why should it necessarily be the junior people, so far as the government is concerned, who have to go on unemployment insurance? Very often what happens is that you find employees who are 50, 60 and 65 years of age, old-timers in the lumber industry who have been around since the days when they were pushing lumber onto carts pulled by horses, working at the hardest and toughest jobs in those operations, and young people who would be much happier to continue working because many of them have recently come into the labour force.

Surely it is in our interest to let young people who are moving into the labour force have the best experience possible and find that they can work continuously and build up some experience and realize what it is to work. Goodness knows, there is enough complaining about young people who are not turned on to the work ethic nowadays. So we should make some provision and show some flexibility to allow those who are young and most able to work to continue working, while the older, more experienced workers are allowed, if they so choose, to take the place of the younger employees and go on unemployment insurance.

It also fits one of the other social goals about which we spoke, that as people approach their retirement age they should be allowed time to get used to it, to phase it in. Why not, when it is not an increased cost to the program or to the taxpayer, allow those older employees to take that opportunity? But for some unforeseen reason, the bureaucracy within the commission within the past year or two has started to become very rigid. We are at a loss to understand why. If the commission is concerned with having those who are unemployed getting other jobs, those with seniority very often have more skills and more abilities, can be placed more easily than those who have just entered the labour force who are very often unskilled workers. It seems self-defeating as well as socially unjust to force that kind of change.

Another area on which I wanted to touch has to do with job search requirements which vary in a regulatory way or for administrative reasons from place to place. In order that someone who is unemployed can continue to collect his benefits, job search requirements are enforced too often when unemployment is too high and at unrealistic levels to expect much success to come from those sometimes very thorough job searches, especially during short duration unemployment when it is very often unreasonable to expect anyone, for some of the reasons that have been suggested earlier, to accept the short-term work when they might find their benefits cut off from time to time.

Suggestions keep coming forward that signed notes from prospective employers be obtained. In my view, they are rather stupid and unrealistic suggestions. We had an experience in Trail, B.C., about a year and a half ago where we had to take some action to prove, both to the local business community and to the Unemployment Insurance Commission, that it was not realistic. We took steps to make sure that pressure came forth from the people, particularly in that small business community, to tell the government and the commission to quit.

What happened was nothing out of the ordinary. The same people who were going around from employer to employer, drawing up their lists of calls for jobs, were doing it as before but they began doing it together. They drove the people in that business community bonkers in the middle of the business day when 30 people at the same time converged and insisted on applying for a job and obtaining a written note. It really seems rather silly and degrading for adults to be forced to do that sort of thing rather than to do what they used to be able to do, simply draw up a list after making their phone calls. In rural areas it often does not make economic sense for somebody without a job to go from place to place getting a handwritten note from a prospective employer saying "He has been here and he asked for a job but I did not have one to give him." But

when 25 or 30 people started doing it at once and disrupted the business day, the message got through.

Why should people be forced into that sort of situation in order to make a point that should have been obvious with many of the kinds of arguments that were presented, both through the elected members and through officials of the commission on the spot, many times? But that sort of thing continues in many areas and there really does not seem to be much point to it. It wastes a lot of time, energy and money on behalf of people who simply do not have the money to spend, because they have been thrown out of work through no fault of their own.

● (1750)

I should like to refer to another situation which exists from time to time but hopefully is not too widespread. It may result from some over-enthusiasm when there is a drive on the part of government to cut back on expenditures and to attempt, as is sometimes suspected, to remove many people from the rolls. I am referring to a situation which occurred in the city of New Westminster in the fall of 1977 that was particularly gross. I should like to draw it to the attention of the minister because this kind of thing happens. It seems that the forms get more complex every year. There is a profusion of paper and various trick questions are floating all over the place.

Of course one of the standard questions has always been: "What rate of pay do you expect when you go out and apply for work? What rate of pay will you accept?" If a prospective job applicant wants to be safe and not be put into the danger of being cut off from benefits or never being allowed to collect them in the first place, he must answer this very standard question by saying, "the prevailing rate". If he sets any rate in his answer, very often the axe comes down and he does not get the benefits. One should say, "the prevailing rate", no matter how many times one is asked the question. One should come back with the same answer whether it is asked 100 or 200 times. Sometimes it is almost that ridiculous.

In the case in question, a young jobless woodworker went into the UIC office in New Westminster. He was asked this question innumerable times by the official. I suppose the questioner finally got tired and asked him, "What was the rate of pay at the last job in which you worked?" The young man told him, and he watched as the official of the commission wrote that answer into the blank following the question he had been trying to get answered for some time. None of us, least of all myself, will suggest that there are ogres working in this department who have a blood lust to cut people off UIC. But there is some kind of pressure on people when public servants, who are normally very conscientious, feel somehow driven into that kind of situation.

If this young woodworker had been an employee who was not aware of how the system worked, very likely he would never have received the benefits. He happened to realize something about his own rights. He went to the business agent of his local union and there was a little hell to pay, quite understandably. I hope that sort of thing does not happen often, but we wonder just how many cases there are which perhaps are not that bad. I am thinking of cases which happen from time to time that we do not hear about. There are many, many people not at all aware of their rights for every one who realizes he or she can stand up and demand some recognition and justice.

From my own experience in being in lunchrooms over a number of years, in the federal sphere I do not think there is an institution which is perhaps more despised and hated in the country, with the possible exception of the compensation boards in the provinces. Both those institutions are presumably set up to assist people who are in need and thrown out of the workplace through no fault of their own. It is a shame those attitudes prevail, but something symbolic must be done from time to time. There should be some very clear statements and directives which people on the outside hear, if working people are to begin to renew their faith in government processes and in departments that are hopefully set up to help them in those circumstances. Certainly we would be far better served to do that than to have the profusion of advertisements to which the hon. member for Beaches (Mr. Young) referred a few moments ago. I am referring to the advertisements which only lead to increasing the backlash which seems all too ready to surface in times of high unemployment.

While I am on that topic, I should like to refer to another matter which is of great concern. It always surprises me that conservatives of Liberal or Tory stripe—I realize that not all people in both parties are conservatives and that there are some reasonably progressive people among both—can go out of their way from time to time to create backlashes. Particularly it is appropriate to some of my friends to my right who over the last three, four, five or six years have gone out and created a backlash. Then when governments of whatever stripe respond to that backlash, they make a career out of complaining about the results. That sticks in my craw, and it sticks in the craw of a lot of people with whom I have worked. It does not increase respect for the political and democratic process, nor of the people within it. We could do with a lot less of it. I do not want to dwell on that, but I hope some people will take it to heart, not as a castigation but just to think before we give such enthusiastic publicity or go on extravaganzas of complaining about the abuses which take place.

If I may I think I will call it six o'clock, because I want to change tack tomorrow.

The Acting Speaker (Mr. Blaker): Order, please. Before calling it six o'clock I want to apologize to the hon. member for Kamouraska-Rivière-du-Loup (Mr. Gendron). My understanding is that the hon. member for Kootenay West (Mr. Kristiansen) has asked to call it six o'clock and wishes to continue his speech tomorrow.

Mr. Kristiansen: Yes, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Does the hon. member have the consent of the House to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): In order to complete what I was about to say, as members know, ordinarily the Chair alternates between hon. members on either side. I did not notice the hon. member for Kamouraska-Rivière-du-Loup was seeking the floor, so following the hon. member for Kootenay West tomorrow the Chair will recognize the hon. member for Kamouraska-Rivière-du-Loup.

It being six o'clock, I do now leave the chair until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 19, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

PROVISIONS RESPECTING HAND-GUNS—REQUEST FOR REVIEW—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43. Under present gun control laws, the black-powder hand-gun is classified as a restricted weapon. In the words of the National Firearms Association, "if one has any knowledge whatever of the intricacies involved in the operation of these firearms, it would be like comparing the use of a model-T in modern car races". Therefore, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That this ridiculous provision be brought before the Standing Committee on Justice and Legal Affairs to be reviewed and amended immediately.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

CRITICISM OF GARRISON DIVERSION PROJECT—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity concerning the Garrison diversion project in North Dakota.

Whereas the Congressional supporters of the Garrison diversion project in North Dakota have attached an additional amount of $9,7 million appropriation for the project to Mount St. Helens' disaster relief bill as an obvious move to bypass the United States administration opposition to the Garrison project, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House deplores the tactics employed by the Garrison promoters in the United States Congress, and that the Secretary of State for External Affairs contact the United States Secretary of State, Edward Muskie, directly today in order to express the sentiments of this House and impress upon him the serious concerns we have affecting this very important issue relating to the relations between our two nations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

FUNDING OF GARRISON DIVERSION PROJECT—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity and with a view to giving the House a second chance with respect to the issue of the Garrison River diversion project.

Today the United States Senate is considering a supplemental appropriation bill which would provide $9.7 million in funding to the Garrison diversion project in the state of North Dakota. In view of the fact that the completion of this project in its presently approved form would be almost inevitable should these funds be approved, and that the completion of the project would spell environmental disaster for the lakes and waterways of Manitoba and would be in violation of the 1909 Boundary Waters Treaty, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House unanimously communicate to the United States Congress its disapproval of any action on the part of the United States Senate or House of Representatives which would provide further funds to the Garrison diversion project, until such time as all possibility of inter-basin biological transfer and the ecological disaster it represents is eliminated from the Garrison plan.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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TAX CONVENTIONS

DEBATE THEREON—ALLEGED FILIBUSTER BY CONSERVATIVE MEMBER—MOTION UNDER S.O. 43

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given the fact that the Prime Minister (Mr. Trudeau) will be attending the Summit conference in Venice next week, and that Bill S-2 relating to tax conventions with a number of

nations, including Italy, is before the House, I move, seconded by the hon. member for Kitchener (Mr. Lang):

That this House urges the hon. member for York-Peel to end his personal filibuster of Bill S-2 in committee so that the good will of Canada to Italy can be exhibited in Venice next week.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

STARVATION AND SUFFERING IN UGANDA—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, my motion under the provisions of Standing Order 43 is seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and the hon. member for Saskatoon East (Mr. Ogle).

On two nights this week, CBC national television news has shown horrifying pictures of starvation and human suffering in Uganda, a country which has never recovered from the devastation it experienced under the former regime of Idi Amin. Therefore, I move:

That this House express the deep concern of many Canadians for spreading starvation and malnutrition in several parts of the world by specifically urging the government to direct emergency humanitarian assistance to Uganda.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

ENERGY

SALE OF FUEL TO FOREIGN VESSELS AND AIR CARRIERS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the fact that offshore oil subsidies will reach approximately $3.7 billion this year, and because millions of dollars worth of subsidized fuel is being sold to foreign interests while in Canada, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House instruct the government to immediately establish a practice whereby all fuels sold to foreign vessels and air carriers in Canada be sold at the world price.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

CRASH OF SOVIET SATELLITE ON CANADIAN SOIL—CLEAN-UP EXPENSES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): I rise, Madam Speaker, to propose a motion under the provisions of Standing Order 43. In view of the fact that the 1978 crash of a Soviet satellite carrying a nuclear reactor caused extensive contamination damage and, hence, expensive clean-up operations in northern Canada, and since reports indicate the failure of Canada's attempts to negotiate damage costs recovery, despite the fact that both Canada and the U.S.S.R. are signatories to a 1972 international liability convention, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House condemn the Soviet Union for its failure to settle its $6 million clean-up obligations, and that the Department of External Affairs request the creation of an international claims commission in an attempt to settle this contentious matter.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CULTURAL AFFAIRS

FUNDING OF VANCOUVER ART GALLERY—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I rise under the provisions of Standing Order 43. Since the Government of Canada has declared itself in favour of federal funding for the new permanent home of the Vancouver art gallery, and since the $5 million in private money raised locally was contingent upon federal government support, and since the Secretary of State and Minister of Communications (Mr. Fox) has had ample time to review cultural funding requests, as he promised in the House, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That this House instruct the Secretary of State and Minister of Communications to cease his procrastination, and to announce forthwith his decision regarding the funding of the Vancouver art gallery.

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

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSING

MEASURES TO ASSIST HOME OWNERS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The sectoral conference on housing held in Edmonton at the end of January, 1978, attended by federal and provincial ministers, reached agreement on the need to permit home owners property tax deductibility on the principal residence up to an approved maximum. As the housing industry is now in serious need of stimulus, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Deputy Prime Minister and Minister of Finance include in the forthcoming budget a home owners property tax deduction feature of up to $500 on principal residences; and, futhermore, that a similar deductible feature of up to $250 be included for renters.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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ADMINISTRATION OF JUSTICE

LAYCRAFT INQUIRY—ALLEGED BUGGING BY RCMP—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

In view of the fact that the Laycraft inquiry into alleged bugging by the RCMP of certain Alberta police officers was prevented from receiving important documents because of a certificate filed pursuant to section 41(2) of the Federal Court Act by the then solicitor general Francis Fox on grounds of national security, and in view of the fact it now appears that the grounds for RCMP secrecy in that case were not national security, but an illicit liaison between staff sergeant Maduk of the RCMP and a local RCMP staff person, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House call upon former solicitor general Francis Fox to appear before the justice committee to defend his abuse of the provisions of section 41(2) of the Federal Court Act, and to call upon him to explain why he was either misled by the RCMP, or why he misled the Federal Court of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

CANADIAN NATIONAL RAILWAYS

PRINCE EDWARD ISLAND—REHIRING OF LAID-OFF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that three weeks ago CNR laid off one-half of its rail car repairmen in Prince Edward Island, and in view of the fact that CN has now rehired these men at least until July 31 so that negotiations about the future of the men can proceed without further loss of their pay, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House commend CNR for rehiring the employees and that it urge CN to make every possible effort to retain the employees in Prince Edward Island after July 31.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICING—NEGOTIATIONS WITH ALBERTA—WELLHEAD PRICE

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. From a brief discussion I had with the minister during the luncheon hour, and according to press reports over the last hour or two, it appears that his negotiations with the minister of energy of Alberta, yesterday and today, have failed to result in an agreement with respect to energy pricing.

Can the minister confirm that talks have indeed broken off, whether or not the existing agreement will be extended for the one-month period as reported, confirm whether or not the Prime Minister and Premier Lougheed will be meeting during this extended one-month period? Finally, would he indicate, if the agreement is being extended, whether or not it will include a semi-annual price increase at the wellhead, likely due on July 1?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I shall try to answer seriatim the questions raised by the hon. member. I held meetings both yesterday and today with my colleague from Alberta. I think we had a very helpful exchange of views and very helpful discussions. We considered two additional proposals which I put forward. These additional proposals, which were additional

to two previous proposals I had put forward, were not considered satisfactory. It was felt, therefore, that it was advisable to extend the present arrangement by one month to August 1 and during that time to arrange for a meeting between the Prime Minister and the Premier of Alberta.

We also agreed that in the meantime, before the first ministers' meeting, we would try to have further exchanges in order to advance the discussions. I would also advise the hon. member that there will be no increase in the price of oil or gas during the month of July. The present arrangement will merely be extended to August 1.

Mr. Jarvis: Madam Speaker, the minister has repeatedly said that he is not prepared to make public the details of his proposals until he has had a chance to discuss them with the other producing provinces, namely, British Columbia and Saskatchewan. Can the minister inform the House whether or not meetings are now scheduled with the two other producing provinces and, if so, the dates of those meetings? Can he also give us a firm date, now, upon which he will make public to the House the details of the proposals that he has set forth so far?

Mr. Lalonde: Madam Speaker, I am meeting with the minister of energy of Saskatchewan, Mr. Messer, tomorrow in Ottawa. My office is in touch with my colleague in British Columbia, and we are trying to find a mutually convenient date for a meeting. I shall be available to meet with my counterpart in British Columbia during the course of next week if he can make it.

With regard to the hon. member's question about releasing the details of the negotiations, after discussions with my colleague from Alberta we agreed that it would be preferable not to reveal the details of the discussions until after the first ministers have met some time in July and concluded their discussions.

* * *

INDUSTRY

LOSS OF JOBS IF RECESSION CONTINUES—EFFECT OF HIGH INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It relates to my concern about the state of Canada's manufacturing industry and the potential loss of jobs if this current recession continues.

With the first quarter's drop in the GNP indicating general weakness in the economy, does the minister feel that a further reduction in interest rates is appropriate, particularly as Canadian rates are so high relative to those in the United States?

● (1420)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, due to the floating rate policy of the Bank of Canada which is supported by this government, interest rates are already much lower than they were when the Conservatives were in office.

Mr. Wilson: Madam Speaker, again we have a great indication of how forthcoming the minister can be when answering a very straightforward question. In the formation of his economic development strategy, does the minister regard the level of the Canadian dollar as a key element in the international, competitive position of Canadian industry and in the decision-making process of companies considering investment in plant and equipment? If so, will he indicate to the House the appropriate level for the Canadian dollar which is consistent with the competitive position of Canadian manufacturing companies so that these companies can plan their future with some assurance?

Mr. Gray: Madam Speaker, I certainly consider this to be a key aspect to the success of companies, but I do not think the previous government was willing to state an appropriate level for the dollar. I think this can be left to the very capable Minister of Finance.

Mr. Wilson: Madam Speaker, I think we are trying to look forward to what we can expect from this government in the future, rather than continually looking back. In view of the answers the minister has given, will he tell the House how the current policy of relatively high interest rates, compared to those in the United States, and the climbing exchange rate is beneficial to the current long-term interests of the Canadian manufacturing industry?

Will the minister make strong representations to his colleague, the Minister of Finance, to reverse this policy? If that does not happen, will he again promise to resign if the Minister of Finance does not act in that direction?

Mr. Gray: Madam Speaker, we have seen a great breakthrough since the Conservatives, for the first time, are trying to look forward, rather than back. I want to assure my hon. friend that I am talking frequently and directly with the Minister of Finance on the matters he has outlined. We will continue to have policies that will further the well-being of the manufacturing sector of this country and the entire economy, unlike the circumstances when the previous government was in office.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON GARRISON RIVER DIVERSION PROJECT

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Secretary of State for External Affairs. At this very moment a special subcommittee of the United States Senate is considering a special measure, which it is anticipated will be passed by that committee, which will provide $9.7 million for the Garrison River diversion project in

North Dakota. It is further anticipated that, if this happens this afternoon, the measure will be passed through the United States Senate later tonight.

Given the devastating effect this project will have on Manitoba, can the minister tell the House what action he has taken today to ensure that this contemplated action by the United States does not take place?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am pleased to inform the House that I will be issuing a press statement later on saying that we presented a note on this subject to the United States yesterday. If I may quote briefly from the note, we expressed the serious concern of the Canadian government that important new funds may be appropriated for the Garrison River diversion project. We are especially concerned about this because it is a rider to a bill on another subject and so might not receive proper consideration. We therefore took this unusual step of expressing our views in strong language in a note to the United States government. We welcome the endorsement of the opposition, which I think we have, in expressing our feelings on this matter.

Mr. Broadbent: Madam Speaker, I am sure the Americans are shaking in their boots after that strong note. Officials of the Canadian embassy in Washington expressed their view this morning that the measure is going to get through the Senate and will, therefore, become effective law because this particular measure is attached to a broader bill and cannot be vetoed by the president.

● (1425)

Would the Secretary of State for External Affairs please wake up to the fact that he may have sent a note yesterday, but recognize that maybe he should get on the phone today and call his counterpart directly in the United States to head off this action?

Mr. MacGuigan: Madam Speaker, we take an extremely serious view of this matter. But the hon. member must recognize that, in terms at least, these additional funds are specified to be for work which is unrelated to any effect on Canada. We have made strong representations, and we shall continue to do so.

Mr. Broadbent: Madam Speaker, there is at least a New Democratic Party member of Parliament who is in the U.S. Senate today trying to do the job which the minister should be doing. I would like to get clarification from the minister since, if the funds are approved for this particular part of the project, it means inevitably that the rest of the project will have to be completed and therefore the damage will be done to the province of Manitoba. Is the minister telling us today that he is really not very concerned that this part of the project is completed, in full knowledge that if it is, the final project will be completed, doing irreparable damage to the people of Manitoba?

Mr. MacGuigan: Madam Speaker, I am telling the hon. member that some members of the U.S. Congress may not realize the situation because the funds are specified to be for work in the United States. That is the reason we have made strong representations. The member of his own party to whom he is referring consulted me before going to the United States and received my encouragement for doing what he is doing. We are making our representations to the United States government as well.

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TRADE AND COMMERCE

WHEAT SHIPMENTS UNDER AID PROGRAMS—FINANCIAL ASSISTANCE TO PRIVATE COMPANIES

Hon. Ron Huntington (Capilano): Madam Speaker, I would like to ask the Minister of Industry, Trade and Commerce if he and his assistant, the Minister of State for Trade, are using their advocacy role to untangle the interdepartmental confusion when aid wheat is shipped offshore. If they have not, will they take a lead role in solving the bureaucratic and legal entanglement that exists between the Department of Supply and Services, CIDA, the Canadian Wheat Board and the Department of Justice?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Yes, Madam Speaker.

Mr. Huntington: Madam Speaker, I would like to ask the minister if he would seek an interim emergency payment which would prevent the bankruptcy of a private sector company that has performed its services to the letter of the law, but is unable to receive payment for damages due over the past three years from the government; that is, damages caused by the Canadian Wheat Board not being able to meet shipping schedules as agreed.

Mr. Gray: Madam Speaker, I will be happy to look into this matter on an urgent basis.

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RESEARCH AND DEVELOPMENT

ANNOUNCEMENT OF INCENTIVE PROGRAM—GOVERNMENT POLICY

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. For many years now the business and scientific communities have made numerous constructive and sensible submissions on how government can increase the level of vitally-needed research in Canada. When will the minister announce a practical R and D incentive program consistent with Canada's industrial needs, instead of simply continuing the same old tactics which have dropped Canada's level to less than half the level of other industrialized countries?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I recently met with representatives of the Canadian Manufacturers' Association to discuss with them the work they have done. I have also met with representatives of the Business Council on national issues. They put forward some very useful and constructive ideas on improving our efforts to assist research and development.

An hon. Member: When?

Mr. Gray: I am working actively on this matter with the Minister of Finance. But, as the hon. member has said, these are incentive measures which relate to a budget and they are matters of tax policy. I hope we will be able to proceed on them very soon.

Mr. Gilchrist: Madam Speaker, those are the kinds of measures I am talking about, submitted by responsible agencies such as the CMA. Because research and development is the most important factor in Canada's future industrial and economic development, even more important than oil exploration or movie-making, when will the minister implement the personal income tax legislation for research and development investments as that which exists for film-making?

Mr. Gray: Madam Speaker, I do not want to treat a serious question facetiously. I could say that I will implement those changes if and when I ever become minister of finance.

Some hon. Members: Oh, oh!

An hon. Member: John Evans just fainted.

Madam Speaker: Order, please.

● (1430)

Mr. Gray: Madam Speaker, I am happy to say—and I think everybody agrees—that we have an outstanding Minister of Finance now, and he is treating the subject very seriously. I am working with him to get the kind of further action the hon. member is talking about, but about which his government did nothing.

Some hon. Members: Hear, hear!

* * *

THE CONSTITUTION

DISCUSSIONS WITH GREAT BRITAIN

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Prime Minister. I note that the Prime Minister will be going to London and having talks with Her Majesty the Queen and with the British prime minister. According to government sources, he will be talking about the constitution. I wonder whether he can confirm this to the House. I am talking about the report this morning that the Prime Minister will be talking to Her Majesty the Queen and the British prime minister about the constitution. Can he confirm that? If he will be having talks about the constitution, can he tell the House some of the details of those talks?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is no agenda set, that I know, which might include constitutional talks. With regard to the meeting with Her Majesty, it is usual with Her Majesty, as the Queen of Canada, to inform herself of how things are going in Canada in various areas, in Parliament and with respect to the constitution. I will inform her that we are meeting, the ten provinces and the federal government, and that we hope to carry out our pledge to bring in a new, renewed form of federalism in the very near future. Patriation, as the hon. member knows, is one of the subjects that the Minister of Justice and the other provincial ministers are discussing. Naturally, that would involve the British Parliament.

Turning to the hon. member's second question, I have no specific plan to discuss this with Mrs. Thatcher, the British prime minister. It is possible it will arise. If it does, I hope we will have the support of both sides of this House to end the situation where Canadian affairs must be cleared through the prime minister of another country, and that we will bring back the constitution once and for all. I will explain, of course, to anyone who wants to hear about it, that we hope on this side of the House—and, hopefully, on the other side—that we will get the consent of all provinces to assist the federal government in making this final step—I repeat—to put an end to a situation where Canada cannot amend its own constitution without getting permission from the British Parliament, something that should have been ended a long time ago.

Some hon. Members: Hear, hear!

Mr. Nystrom: Will the Prime Minister be making a proposal to the Queen or to the British prime minister about patriation? If so, what will that proposal be? Also, can he assure the House that he will not raise the possibility of any unilateral action while the negotiating process is under way? In other words, will he give that process a fair chance to work itself out, so that we can have a consensus of the provinces as well as the federal government before there is any patriation?

Mr. Trudeau: Madam Speaker, if the hon. member is seeking reassurance from me—which I gave in my previous answer—that we will seek agreement among all provinces, certainly if asked I will say that that is the federal government's intention. I understand that even the Leader of the New Democratic Party and the members of that party supported a motion presented in this House by the hon. member for Edmonton East that we should get on with the process of patriation. I hope the NDP is not backing down from that commitment.

INDUSTRY

CAE INDUSTRIES BID FOR CONTRACT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister indicate why he failed to co-operate with CAE Industries in their bid to win a $300 million contract for Canada that would have resulted in 200 additional jobs? In indicating why he failed to co-operate, will he agree that this is discrimination against a healthy Canadian company?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am glad to see the hon. member's conversion to the cause of Canadian nationalism—belated, but welcome.

Some hon. Members: Hear, hear!

Mr. Gray: The hon. member's premise that I failed to co-operate with the company is quite inaccurate. We worked actively to see if we could find, within the programs that the Department of Industry, Trade and Commerce has to administer and within the envelope that he left me, capital funds to enable this project to go ahead. Unfortunately, I do not have a program yet available to provide capital assistance for non-defence related projects. I was able to offer the company loan guarantees which did not fit in their plans.

I intend to continue working with the company to help it to continue expanding and to succeed. I might point out that this company has already received some $21 million in assistance in the aeronautics and aerospace area through programs like the defence industry productivity program and an innovation grant under the enterprise development program to assist another automotive related project in St. Catharines.

Some hon. Members: Hear, hear!

Mr. Stevens: My supplementary is to the Minister of Industry, Trade and Commerce, who indicates that he is short of funds within his capital budget. Perhaps he can indicate why he gave preference to certain 100 per cent foreign-owned concerns such as Chrysler. As he knows, money was set aside for General Motors to assist them in expansion in the province of Quebec. He is now telling us there is no money available, even $13 million, to help a Canadian company that has been profitable and has been producing Canadian jobs with 3,500 people working for that concern.

Mr. Gray: If the hon. member is talking about General Motors, Madam Speaker, he is talking about a possible application by them under the Department of Regional Economic Expansion. Is the hon. member urging that the plant move from where it is located now into a DREE area? Let us have that on the record. Second, with respect to Chrysler, they received loan guarantees which would not be available until 1982. If CAE had wanted that kind of help, it was readily available to them, and still is available to them.

CONVENTIONS

DEDUCTION OF EXPENSES BY UNITED STATES VISITORS

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the aspiring minister of finance, the present Minister of Industry, Trade and Commerce. On May 23, the Department of Finance stated an agreement had been reached between Canada and the United States which would allow the deduction by Americans of expenses incurred while attending conventions in Canada. Will the minister confirm that this issue has been resolved?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, as I understand it, the matter has been resolved at the level of negotiation among officials. It still must be approved by governments—in the case of the United States, not only by the administration but by the U.S. Senate. I hope the agreement in question, which is part of negotiations for a tax treaty, will be in place very soon.

Mr. Fretz: Will the minister make strong recommendations to the Secretary of State for External Affairs to encourage him to discontinue making intemperate remarks so that he does not poison the atmosphere of Canadian-U.S. relations?

Mr. Gray: Madam Speaker, there is no reason to urge my colleague and neighbour, the Secretary of State for External Affairs, to cease making remarks which are aimed at helping the climate of relations between Canada and the United States.

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THE CONSTITUTION

CONSTITUTIONAL NEGOTIATIONS—APPEARANCE OF MINISTER OF JUSTICE BEFORE STANDING COMMITTEE

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is directed to the Minister of Justice, who I understand is the minister responsible for constitutional negotiations, the minister responsible for federal-provincial relations and the minister who is chairman of the cabinet committee for Indians, Inuit and native peoples of Canada.

My question is: will the minister appear before the Standing Committee on Justice and Legal Affairs to indicate his dossier on the constitutional negotiations, so that members of the House might become more informed and more involved?

• (1440)

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, next week I will appear before the Standing Committee on Justice and Legal Affairs and if the hon. member wants to come and put some questions to me on that occasion, I will be glad to reply.

[*English*]

INDUSTRY

DEVELOPMENT OF TAR SANDS AND PIPELINE PROJECTS

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that Canada has many multibillion dollar projects such as pipeline construction and tar sands development presently in the planning stages, I ask the minister: is it the government's intention to have all these major projects begin construction on the same day? If not, when will he announce a schedule for the orderly commencement of such projects?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): This is an important matter which we are working on constantly with the Minister of Finance and the Minister of Energy, Mines and Resources. The hon. member has raised an important point. Orderly scheduling of these projects is important in the Canadian national interest.

Mr. Clarke: When will the government stop importing technical and engineering services and ensure that Canadian skills are used in these Canadian projects?

Mr. Gray: Madam Speaker, I am pleased to find the hon. member supporting the commitment we made during the election campaign and in the throne speech.

Some hon. Members: Oh, oh!

Mr. Gray: We already have a precedent for this type of action in the legislation setting up the Northern Pipeline Agency, and we will follow through with this precedent in the form of concrete action. We already have a group in my department working with the people who are putting together major projects to make sure that Canadian expertise and Canadian suppliers are used.

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FARM CREDIT CORPORATION

FUNDS FOR LOANS

Mr. Vic Althouse (Humboldt-Lake Centre): My question, Madam Speaker, is directed to the Minister of Agriculture and has to do with the Farm Credit Corporation. In some parts of the country the demand for Farm Credit Corporation loans is reported to be up by some 25 per cent or more, yet the allocation of funds for this year has been set at $5 million less than at the beginning of last year, and $55 million below the final allocation if we include the $50 million addition to the original allocation.

When does the government intend to increase the current allocation in accordance with the Liberals campaign promise of last February when they said, "We will increase the amount of money available to the Farm Credit Corporation"? When? How much money will be added?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member has followed closely what everybody has been saying about the Farm Credit Corporation—how good it is, what a great job it has done for agriculture in Canada, how it has on record 75 per cent of all long-term loans for farm and agricultural operations in Canada. We intend to improve even on that record. We intend to present, possibly before the House adjourns, new legislation which is necessary for us to allow Farm Credit to operate in a way in which I am sure, Madam Speaker, the hon. member himself would want it to operate, and so that all farmers in all parts of Canada will be treated in an equitable fashion.

We will not have programs such as they have in his province which give farm-start loans at reduced interest rates which put at a disadvantage farmers in other provinces which do not have the same resources as his province has to subsidize agricultural interest rates.

Some hon. Members: Hear, hear!

Mr. Althouse: Madam Speaker, I would like to remind the minister that most of the provinces do not have programs competing with the Farm Credit Corporation, though they certainly do with the Farm Improvement Loans Act. There are very few provincial programs for the purchase of land under long-term loans. The question is still there, Madam Speaker, the promise was made during the election—

Madam Speaker: Order, please. The hon. member will have noted that all questions were quite short today. I would like the hon. gentleman to conform to that good rule.

Some hon. Members: Hear, hear!

Mr. Althouse: Thank you, Madam Speaker. The question of when the funds will be increased is still left in the air. We have not received an answer.

Mr. Whelan: Madam Speaker, given the utmost co-operation of all members of the House, I would hope it would be soon.

* * *

RAPID TRANSIT

FUNDING OF HAMILTON, ONTARIO, PROJECT

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the withdrawal of federal funds by the minister from the joint project with the province of Ontario to develop the Bathurst Street Go-train connection in Toronto, will the minister confirm that the $38.2 million contribution to the Hamilton rapid transit project will be made and that the letter of intent between the previous government and the province of Ontario will be honoured?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, this is still a subject for negotiations. Certainly I would like to see that project proceed.

Mr. Kempling: The minister is saying that the matter is not going to be confirmed by the new government. I want to know if he can tell us when they will recommit the $30 million contribution to the Bathurst Street Go-train connection in Toronto.

Mr. Gray: First of all, Madam Speaker, I did not say that we are not confirming the Hamilton project. With respect to the other matter I will look into it and report to the hon. member as soon as possible.

* * *

SMALL BUSINESS

SUBSIDIES FOR OFFSHORE SHIPPING COMPANIES—JOBS IN SHIP REPAIRING INDUSTRY

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my question is for the Minister of State for Small Businesses. I am sure the minister is aware of the importance of maintaining a strong domestic capability for the construction and repairs of ships in Canada, which involves some 15,000 direct and 45,000 related jobs in that industry. When is the minister going to announce the continuation of the 20 per cent subsidy which is due to expire on June 30 of this year?

What other badly-needed measures will the hon. gentleman announce to match the subsidies which offshore shipping companies are receiving from their governments so that Canadian companies will have a fair and equal chance when tendering for orders?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I have had some meetings with the Canadian Association of Shipbuilders. Cabinet is now considering various possible options to give a new impetus to the program which, as we know, will end on June 30.

* * *

[*English*]

EXTERNAL AFFAIRS

USE OF NUCLEAR TECHNOLOGY

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I should like to direct my question to the Secretary of State for External Affairs. Could the minister tell the House what Canada is doing to ensure that Pakistan does not join the nuclear club, or market that technology through the capability of the reactor Canada sold to them?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, from time to time there have been press reports, as there are now, that Pakistan is involved in the production of nuclear technology leading to a nuclear bomb. We have not been able to verify those reports, but because we have been concerned about them, the government, and the previous government, have both conveyed their strong feelings to Pakistan that no action should be taken which would lead in this direction. As the House knows, we have not been involved in nuclear co-operation with Pakistan since 1976 and, of course, we continue to be very concerned about their use of the technology they have. We are monitoring the situation closely.

SALE OF NUCLEAR FACILITIES WITHOUT SAFEGUARDS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I would like to ask a supplementary question of the Secretary of State for External Affairs. Given the concerns expressed by him and by many countries around the world about the danger to world peace of the development or potential development of a nuclear bomb by Pakistan, and given the early involvement in the nuclear cycle in Pakistan by AECL, will the minister give a clear and emphatic guarantee to the House of Commons and to the people of Canada that the government will not enter into the sale of nuclear reactors or nuclear facilities to any country that does not abide by full-scope safeguards, such as Argentina?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, that is certainly the policy of the government—not to enter into agreements with any such country. This has been made clear many times, and I expressed that view recently to representatives of the Argentine government.

* * *

INDUSTRY

EXCISE TAX ON NORTH AMERICAN-BUILT CARS

Mr. Otto Jelinek (Halton): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce regarding the ailing auto industry where further staggering lay-offs are continuing; in fact, weekly UIC pay-outs to laid off auto workers are approaching $6 million to $7 million a week, while auto parts manufacturers are closing down and going under. Yet we find no concrete action being taken by the government—just talk.

My question therefore is this: Since there are a number of options which could and should be taken in this country, such as imposing quotas on offshore imports, eliminating the 9 per cent federal excise tax on North American-built cars, along with many others, when will the minister stop pussyfooting around and take the immediate action which is necessary in order to stimulate the industrial sector of our economy?

● (1450)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): We are actively working, Madam Speaker, on all the kinds of options which my hon. friend mentioned. We want to

make sure that the actions we take will not have adverse consequences on the economy as a whole and on sectors other than the automotive sector. I am working on the whole matter actively with the Minister of Finance.

I want to confirm that our formal consultations on the auto pact with the United States government will begin in Washington on June 27, and I am personally leading the delegation. I will be going to Japan in the last week of July to begin discussions personally with the heads of the major Japanese automotive manufacturers.

I might say that while hon. members seem to keep on sniping at the assistance we are giving to enable the Chrysler Corporation to expand, to restructure and retool, that effort will help preserve the existence of a large number of independent Canadian parts manufacturers and the jobs connected with them, and the sourcing clause in that agreement will also enable us to put pressure on the company to expand their sourcing. So we are taking concrete action in a number of important areas.

Mr. Jelinek: The minister has been saying this for four or five months, but no action has been taken—it is just talk. I wonder, if he would tell that to the unemployed, what they would think about it.

In any event, I wonder if the minister can now justify the $4 billion auto parts deficit with the United States, and tell us as well what specific proposals—and I mean specific proposals—he intends to make to the Americans later this summer which would reverse the negative position in which Canadians find themselves so far as the auto pact is concerned. In other words, what incentives can Canadian auto parts manufacturers look for? They certainly need some.

Mr. Gray: I could ask my hon. friend exactly whose side he is on. Why does he want me to tip my negotiating hand with the Americans before the meetings even begin? But I can also say to my hon. friend that during the election campaign, in our automotive policy statement we said we would put into place a facility in the enterprise development fund to help the auto parts manufacturers to get the capital they need to retool and re-equip. Work on that project is quite far advanced.

With regard to my hon. friend's concern about action and talk, in this part of my hon. friend's government's life they had not even called Parliament—they were not even talking. We are talking about concrete steps and we are taking those steps right now in the interests of Canadian workers and the Canadian economy.

Some hon. Members: Hear, hear!

An hon. Member: You said you would resign if the interest rates went up, and you did not.

HEALTH AND WELFARE

REVIEW OF DRUGS, PESTICIDES, FOOD ADDITIVES—REQUEST FOR PROGRESS REPORT

Mr. Simon de Jong (Regina East): Madam Speaker, my question is for the Minister of National Health and Welfare. In 1977, it was found that the Industrial Biotest Laboratories had falsified and shredded documents relating to the testing of thousands of federally-approved products, including drugs, pesticides, food additives and industrial chemicals. The same year the Canadian government recognized the problem and set up a review procedure. Here we are, three years later, and these products are still on the market, despite the fact it was discovered that two-thirds of the tests were found to be invalid. Under Canadian law, I understand—

Madam Speaker: Order, please. Would the hon. member put his question?

Mr. de Jong: I should like to ask the minister whether she is prepared to recommend to her colleague, the Minister of Agriculture, that he ban the use and registration of these products in Canada.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as we say in French, the hon. member is in the potatoes.

Some hon. Members: Oh, oh!

[*Translation*]

Miss Bégin: Madam Speaker, I was saying that the member is not in pesticides but in the potatoes. Yesterday he asked me a question on a matter which I consider to be very serious and one that should be studied and dealt with as such, that is, the many data analyses to decide whether or not the use of pesticides is acceptable in several countries, including Canada. I gave him the findings and was even kind enough to hand over to him my documentation so he would understand the question better. This afternoon he acted in the typical fashion of the New Democratic Party which is always seeking to alarm Canadians about their health in connection with the colour of the food they eat or the size of the package it comes in. I would like to say to him that he has erred, that this question is seriously wrong and will deceive the people. He has just said in the House that two-thirds of the pesticides have been found unacceptable. It is a mistake. Eight pesticides have been found safe and can be used, so we know there is no mistake about that. I told the hon. member that I am now drafting a press release on the matter.

[*English*]

Mr. de Jong: Madam Speaker, I might be in the potatoes, but I really wonder where the minister is. I understand she is concerned with, and responsible for, the health of the Canadian people. Here we have a lab which has deliberately falsified information, and we are using products based on that—

Some hon. Members: Order.

Madam Speaker: Order, please. It seems that we cannot win. When we get short questions, we get heckling.

An hon. Member: We get long answers.

Mr. de Jong: Would the minister give us the assurance that she will not pass the buck and ask the Department of Agriculture to take the responsibility for the testing of these products but that, indeed, her department will carry the investigation through as soon as possible?

Miss Bégin: Madam Speaker, the hon. member is a relatively new member. He should know that the drama of my life is that I do not pass the buck enough. So this is obviously not my usual way of conducting the affairs of the department.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FISHERIES

INQUIRY WHETHER MEASURES WILL BE TAKEN TO RESTORE SUPPORT PRICE OF RED FISH

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans.

In view of the fact that red fish prices in Canada have dropped from 10.5 to 7.5 cents a pound, and that this price decrease has led to the closing down of a plant on the Magdalen Islands and the lay-off of 265 workers, could the minister tell the House whether he intends to take energetic measures to restore the support price of red fish?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I thank the hon. member for his question, all the more as I know that this situation worries many fishermen and plant workers.

The price of red fish on the American market has dropped sharply. Iceland and Canada have entered into competition that is harmful to Canadian fishermen and workers. We are trying to straighten things out. I asked the Price Stabilization Board to report to me on this question and I am waiting for that report to see if we can be of any assistance to red fish plants which are experiencing difficulties.

* * *

[*English*]

INDUSTRY

ENERGY PRICING—IMPACT ON AUTOMOBILE INDUSTRY AND JOBS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the automobile industry's problems and lost jobs are clearly a result of the uncertainty of the government's policy surrounding energy pricing, is the minister pressing the Minister of Energy, Mines and Resources and the Prime Minister to produce a long-term energy pricing policy so that industry can plan and can avoid more industrial problems and lost jobs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we already have the elements of a good energy policy. That is why we are here with a majority.

Some hon. Members: Hear, hear!

Mr. Hawkes: The minister is having trouble seeing in any direction—forward, backward, up or down. The minister should also be concerned about the supply problem. When can we expect the minister to begin speaking out publicly about the need for a secure domestic supply of oil?

Mr. Gray: Whatever problems I have, at least I do not have the hearing problem of my hon. friend. I was speaking about this problem even before we took over the government—when we were in opposition, and well before that.

* * *

TRANSPORT

FUNDING OF BRITISH COLUMBIA COAL DEVELOPMENT AND SHIPMENT

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the acting minister of transport. I should like to point out that our Minister of Transport has trouble differentiating between grain shipments—the gold commodity—and coal shipments, which is the black commodity. So I would like to say I am talking about the black stuff.

Some hon. Members: Oh, oh!

Miss Carney: This week, the B.C representative in the other place admitted there was no direct federal funding available for B.C. coal development on terms acceptable to the B.C. government, but he indicated that some funds might be available in the future. When will the minister announce these funds, and for what purpose will they be used?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, the Minister of Transport is out west for discussions. I will be glad to bring this matter to his attention as soon as he returns.

Miss Carney: Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Again let me say that the Minister of Transport has trouble telling the difference between natural gas exports and grain exports, and I should like to ask the minister this question. Since British Columbia is going to use natural gas revenues to construct the railway line for transporting coal, will the minister assure the thousands of British Columbians that they will

not lose their new jobs because he will pre-empt this source of revenue?

• (1500)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am sure that in whatever arrangement we arrive at with the producing provinces there will be ample revenues to ensure that British Columbia will prosper with the help of the British Columbia government and the national government of this country. I can assure the hon. member that she has no reason to fear.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, by way of a point of order, I wonder if I might direct a question to the government House leader. Could he tell us the business of the House this day, tomorrow and into next week as far as he can see?

Also there is the matter of the designation of an allotted day. If one has not been designated, perhaps he might look into that.

Mr. Pinard: Madam Speaker, today we will continue debate on second reading stage—and hopefully reach the conclusion of that debate—of Bill C-3, to amend the Unemployment Insurance Act, 1971. In the following order we will be looking at Bill C-35, Bill C-5 and Bill C-22. The first day the House will be sitting next week is Wednesday.

[*Translation*]

Wednesday of next week will be a day allotted, I think, to the New Democratic Party. Then we will try to complete the debate at Committee of the Whole stage as well, I hope, as on third reading of Bill C-19, to amend the Employment Tax Credit Act, and Bill S-6, to amend the Two-Price Wheat Act. If tomorrow we do not complete the debate on Bill C-22, to adjust the Accounts of Canada, we hope to be able to do so sometime next week. That is the work for next week, subject to the return to the House from the committees of priority bills which the government might decide to consider ahead of those I have just listed.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been some reports of statements being made by the leader of the government respecting proposed reforms in the Standing Orders and practices of the House of Commons. The most recent report I have seen appeared in the current edition of *The Legion* magazine. Prior to the adjournment of Parliament for the summer, is the government House leader planning to table a document in the House of Commons respecting his precise proposals for reform of the House? If he is doing that, would he consider quickly a reference to the Standing Committee on Procedure and Organization in order to give that committee an opportunity to organize itself and to look at certain firm proposals, on the understanding that we would have some proposals to make as well? The reports seem to indicate that perhaps it is time, rather than talking about parliamentary reform, that Parliament start to take a look at it. What are the plans of the minister respecting that?

[*Translation*]

Mr. Pinard: Madam Speaker, I have not read the article to which my learned colleague has just referred concerning a time frame for the proposed reform of our Standing Orders in order to streamline them and make them more efficient and probably more human. I am prepared to entertain his suggestion. I should like to remind him, however, that in 1974 and 1975 our Standing Committee on Procedure and Organization had the opportunity to deal in depth with this. Three reports were published following these committee meetings, and we have also benefited from the opinions expressed by both sides of the House on these proposed reforms. Some of them are even favoured by the former government House leader and we have found them interesting. The study stage is not necessarily over, but it is well advanced, so that we might now consider quicker ways to make this Parliament more efficient, but always after consultations with both sides of the House.

If my hon. colleague will help me set the tone, I am willing to repeat the same suggestion I made to him last week to set a 20-minute time limit on speeches until the summer recess. If he can agree to that today on behalf of his party, and if the Leader of the New Democratic Party can do likewise, I undertake to limit the time allotted for speeches to 20 minutes until the summer recess. This could be a step in the right direction and help make Parliament more efficient and more equitable. I would point out to my colleague that it would not penalize the opposition. If speeches were shortened to 20 minutes it would not take time away from the Progressive Conservative or the New Democratic Party. It would give more members and particularly members from western Canada an opportunity to get involved in the debate. That would only be fair in a House that now has 282 members.

Finally, to answer the question of my colleague on parliamentary reform, I would say we are open to reform and the methods to be used. We want them to be the most expeditive and the fairest. We want to make changes in the spirit of Parliament and in consultation with all members of this House.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, the problem with parliamentary reform in this House is that it has not been parliamentary reform in the real sense; it has been little piecemeal bits such as shortening the length of time of speeches. I am prepared to discuss proposals with respect to limiting debate regarding the length of speeches, but this Parliament wants to discuss much more than that in terms of

parliamentary reform and in terms of the private members of this House. I think it is important that my friend recognizes this willingness to discuss, as he has, that he presents his proposals to Parliament—we have presented our proposals—so that there is an opportunity for input from all members of the House of Commons and changes are made in an appropriate manner, that is, by considered discussion within the Standing Committee on Procedure and Organization. That is my point.

Dealing once more with matters respecting parliamentary affairs, there has been a great amount of agitation. Indeed the former government, in which I occupied the position of my friend, proposed a parliamentary inquiry into the whole question of nuclear energy in Canada and the question of the nuclear age in relation to Canada and the world. I know there is an ongoing investigation within the government respecting that matter. Does the government have any plans to create a select committee, a joint committee or some committee of the House of Commons, so that those matters being pursued within the bureaucracy can be pursued publicly in the House? He may not be able to answer that question today, but will he take it as notice of our interest in making that discussion public, so that the public will have an opportunity for some input into that very important question?

Mr. Knowles: Madam Speaker, may I indicate to the government House leader that we agree with the statement just made by the hon. member for Nepean-Carleton that the place to sort out our rules and recommend changes is in a committee where consideration can be given to those changes on a rational basis. We can hardly change the rules of Parliament by a snap decision of the floor of the House. We are prepared to discuss these matters in committee, including any change which might be made in the length of speeches.

However, there are two other questions I should like to put to the minister at this time. As he may know, the Minister of Veterans Affairs, at the meeting of the Standing Committee on Veterans Affairs two days ago, said that his legislation respecting pensions for the widows of disabled veterans and respecting changes in the War Veterans Allowance Act is sufficiently far advanced that it could be dealt with before a summer recess. We do not know when that date will be, but if there is to be a summer recess, it will have to be dealt with within the next few weeks or a month. Can the minister assure us that he will co-operate with the Minister of Veterans Affairs in making available time to deal with that legislation?

My other question to the government House leader is one that has been put to him before. When will the promised legislation respecting freedom of information be put on the order paper?

● (1510)

[*Translation*]

Mr. Pinard: Madam Speaker, concerning the remarks made by the Conservative parliamentary leader, I want to say two things. First, he indicated how his party thought a more in-depth parliamentary reform might be made. I agree there are deep changes to be made. However, experience has shown that if we are overly anxious to make changes in this institution we might in fact end up with absolutely no change at all. I would not want opposition parties to try to prevent changes from being made to the rules of this House by ridiculing what could be done as a first step because they think the changes do not go deep enough. I do not believe that is the intention of my colleague. However, I want to tell him there is no doubt in-depth changes will have to be made sooner or later but that should not prevent more urgent changes from being made to bring this institution more in line with the requirements of the eighties. I would not want that once again steps be taken so we would be in a situation where, to avoid the simplest changes, we would be caught in endless committee, subcommittee and commission of inquiry meetings and in the meantime have hon. members become disabused and see their role become increasingly less interesting. In any case the spirit of changes that could be made, regardless of the method or the means used, would be to enhance the role of hon. members and make this institution more efficient, more modern and more humane. That is how those changes will be made, without penalizing opposition parties and in consultation with members on both sides of the House.

So, whatever the means used, whether it is a special committee or the existing Standing Committee on Procedure and Organization or meetings between parliamentary leaders or joint party caucuses, whatever the method used for the in-depth reform, the objective would be to make this institution more modern and more in line with the requirements of the eighties. I want to assure my colleague that we are prepared to forsake traditional means finally to arrive at changes that are in the spirit of what was indicated in the Speech from the Throne.

With respect to the second point, the hon. member talks of a select committee or committees on a matter of great interest. He knows full well that we now have six parliamentary task forces which are special committees of the House of Commons considering matters of national interest. His suggestion concerns another matter and I believe it would be wise to wait for the reports of these committees which must be tabled by December 19. If the experience is worth while, there is nothing to prevent us from considering setting up new parliamentary task forces which could deal with the subject he has mentioned.

As for the hon. member for Winnipeg North Centre, he raised three points. First, he wanted some assurance that any changes to parliamentary procedure would be made through a committee of the House. I cannot give him that assurance for the reasons I have just stated, but I can assure him that any change that might be made will be implemented only after reasonable consultation with all members of the House. I do not want to set any restrictions concerning the means to bring about such changes. As for any major reform, it is, of course,

more logical for such changes to be considered by the Standing Committee on Procedure and Organization. However, changes which might be needed more urgently could be implemented without spending several months in committee, but always after consultation, and in any case, Parliament would be advised.

According to the hon. member, the Minister of Veterans Affairs stated in committee that drafting of the bill was nearly completed and that he thought it could be dealt with before the summer recess even though he did not know when Parliament would adjourn. If this is so, and I believe the Minister of Veterans Affairs, I shall co-operate with him so that the bill can be introduced as soon as possible. As for the summer recess, I do not know when it will come. As to his third point, when we can expect the bill on freedom of information to be introduced in the House, I can assure him that this is one of the priorities of the government and that we shall introduce this bill as soon as possible.

[*English*]

Mr. Knowles: Madam Speaker, may I put a supplementary question to the government House leader with regard to the veterans' legislation. I wonder if he is aware of the fact that both the spokesman for the Progressive Conservative party and I, as spokesman for our party, gave the assurance in the Standing Committee on Veterans Affairs the other day that the House would deal with that legislation in less than a day, and will he take that into consideration in arranging for that legislation to be brought forward before the summer recess, whenever it is to take place?

[*Translation*]

Mr. Pinard: Yes, Madam Speaker.

[*English*]

Mr. Beatty: Madam Speaker, on the same point of order, my colleague, the hon. member for Winnipeg North Centre, raised the question of freedom of information legislation. The Secretary of State and Minister of Communications has been charged by the Prime Minister with responsibility for both the freedom of information and privacy legislation. He should be aware of the proposal made by the previous government in both areas. Would the government House leader indicate to the House whether, at the same time as legislation on freedom of information is introduced, the House will also be presented with legislation on privacy, and will an effort be made to introduce both bills prior to the summer recess in order to ensure that parliamentarians and Canadians at large can look at the contents of those bills over the summer recess?

[*Translation*]

Mr. Pinard: Madam Speaker, the suggestion made by the hon. member is very interesting. I must admit that others have had the same idea and that there are very good chances that we might do what has been suggested.

[*English*]

Mr. Roche: Madam Speaker, when the government House leader announced the list of business for tomorrow he said he would call Bill C-5 in second position. I would ask the government House leader whether he would consider calling Bill C-5 next Friday rather than tomorrow, which would allow me to participate in the debate. I think I can say from this side of the House that it will be a very short debate.

Mr. Pinard: Madam Speaker, I am willing to accommodate the hon. member but I would not like all the work of the House to be delayed as a consequence. I will talk with the House leaders and, if possible, we will try to find something else to deal with as the second item tomorrow so the hon. member can attend his meeting. I will try to do so, but I cannot undertake to accommodate him at this stage.

ROUTINE PROCEEDINGS

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

First report of Standing Committee on Regional Economic Development—Mr. Pelletier.

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

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ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM RICHMOND TO RICHMOND-WOLFE

Mr. Alain Tardif (Richmond) moved for leave to introduce Bill C-606, to change the name of the electoral district of Richmond.

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

* * *

HOLIDAYS ACT

MEASURE TO AMEND

Hon. Francis Fox (Secretary of State and Minister of Communications) moved for leave to introduce Bill C-37, to amend the Holidays Act.

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

• (1520)

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

EXTERNAL AFFAIRS

UNITED STATES FUNDING FOR GARRISON DIVERSION PROJECT

Mr. Rod Murphy (Churchill): Madam Speaker, pursuant to my notice to you at noon today, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the matter of the Garrison diversion project and the effects of the Senate appropriation bill presently being considered by the United States Senate.

The United States Senate is presently considering a supplemental appropriations bill that would provide $9.7 million in funding to the Garrison diversion project. Should the Senate and the House of Representatives of the United States approve such funding, the completion of the full irrigation project would be irreversible. It would cause pollution in Canadian waters and the introduction of nuisance fish species which would effect an estimated $6 million in damage annually to the commercial freshwater industry in Manitoba.

In addition the interbasin biological transfers that would result from the linking of the Hudson Bay and Missouri River basins would be a clear violation on the part of the United States of America of the 1909 Boundary Waters Treaty Act which promises that one country will not pollute another's waters to the detriment of health and property.

Because of the extreme likelihood that this bill will pass the Senate this week, it is imperative that this House discuss this matter at the only opportunity available to it, which is this afternoon.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I did not intend to interrupt the hon. member for Churchill (Mr. Murphy) who has introduced the motion under Standing Order 26, but I would draw your attention to section (3) of Standing Order 26 at page 18, which states:

> When requesting leave to propose such a motion, the member shall rise in his place and present without argument the statement referred to in Section 2 of this Order.

I believe it was the hon. member for Medicine Hat (Mr. Hargrave) who three weeks ago introduced a motion under Standing Order 26 and who, in the introduction of this motion, presented considerable debate. I would ask your indulgence, Madam Speaker, to rule on this matter or at least give an interpretation of the rule. I know that you are very gracious and like to give all hon. members an equal break, but I do believe that, since there is a rule on the books, it should be observed unless we intend to change it.

Madam Speaker: I do not feel that the hon. member abused the rule. I believe that in the presentation of such a motion an hon. member is allowed to give a very brief explanation, but not to enter into argument, and on that point the parliamentary secretary is right.

With regard to this motion under Standing Order 26, it is undoubtedly a very important matter that the hon. member has raised, as it has been raised many times in this House and in committees over the past several years. In determining whether a matter should have urgent consideration and is appropriate to ask for the adjournment of the House under Standing Order 26, the Chair must have regard to the extent that it concerns the administrative responsibilities of the Government of Canada or could come within the scope of ministerial action.

The written statement submitted by the hon. member shows concern in relation to a bill which is before the United States Senate. In this connection it is clear to the Chair that neither the Canadian government nor this House can interfere with proceedings in the United States Senate. There are already in place mechanisms as, for instance, the Department of External Affairs, for which the minister replied today during question period, and the International Joint Commission, which has been very active with regard to the problem raised by the hon. member, by which Canada may protect its interests in such matters.

Until such avenues are known to have been exhausted, it would be very difficult for the Chair to set aside its scheduled business, particularly in view of the fact, as noted in paragraph (5) of Standing Order 26, that there is a probability of the matter being brought before the House within a reasonable time by other means which could be more effective. For instance, the main estimates for the current year are before various standing committees where the various questions relating to this matter can be dealt with in depth.

For these reasons, I regret that the hon. member's request for leave cannot be accepted at this time. Should it not be possible to consider this matter in that way, or should the situation change substantially, the House may want to reconsider it then.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 185, 199, 202, 235, 307, 605, 706, 720, 808, 840 and 933.

Order Paper Questions

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

ATOMIC ENERGY OF CANADA LIMITED

Question No. 185—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Atomic Energy of Canada Ltd?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

1. (a) 1977

Total revenue—$132,795,000

Net deficits—$180,678,000

(b) 1978

Total revenue—$203,239,000

Net earnings—$ 20,249,000

2. (a) 1977

$110,057,000—Total parliamentary appropriations

1978

$128,491,000—Total parliamentary appropriations

$126,199,000—Loans forgiven

(b) 1977

$177,971,000—Loan advances

1978

$209,000,000—Loan advances

(c) 1977

nil

1978

$149,159,000—In 1978 Parliament granted AECL authority to convert loans from Canada into equity.

ELDORADO AVIATION LIMITED

Question No. 199—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Eldorado Aviation Ltd?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Aviation Limited reports as follows:

1. (a) and (b) 1977 and 1978—nil

EAL operates on a non-profit basis with revenues being equal to expenses. Revenue is billed to Eldorado Nuclear Limited in flying hours and not in dollars. The costs of EAL are assumed into the costs of operating the Beaverlodge mine by ENL. The financial statements of EAL are consolidated in the ENL statement.

2. (a) 1977 and 1978—nil

(b) 1977 and 1978—nil

(c) 1977 and 1978—$28,000 (no write-offs)

ELDORADO NUCLEAR LIMITED

Question No. 202—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Eldorado Nuclear Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows:

1. (a) 1977

Total revenue—$68,623,000

Net earnings—$ 6,933,000

(b) 1978

Total revenue—$124,046,000

Net earnings—$ 17,618,000

2. (a) 1977—nil

1978—nil

(b) 1977

$56,414,000—Balance owing on government loan

1978

$45,152,000—Balance owing on government loan

(c) 1977 and 1978

$6,586,000 (no write-offs)

● (0000)

NATIONAL HEALTH AND WELFARE—HEALTH INSURANCE PROGRAMS

Question No. 235—**Mr. Herbert:**

1. Were officials of the Department of National Health and Welfare successful in defining the outer boundaries of portability or accessibility to the health insurance programs and, if not, for what reason?

2. Is it intended to define the uniform conditions in the federal medical care legislation?

3. How many physicians are known or believed to have emigrated from Canada in each of the past five years?

4. How many physicians are now known to practice outside medicare?

Hon. Monique Bégin (Minister of National Health and Welfare): 1 and 2. Departmental officials have documented precedents and interpretations with respect to the program conditions which have evolved since the Hospital Insurance and Diagnostic Services Act and the Medical Care Act were passed. These have been provided to Mr. Justice Emmett Hall who is conducting the Health Services Review '79. It is hoped

that the suggestions and recommendations of Mr. Justice Hall will serve as a basis for developing, in concert with the provinces, a better common understanding of the program conditions and what they entail.

3. Active Civilian Physicians Emigrated Abroad

Year	Total (excluding interns and residents)
1975	242
1976	363
1977	549
1978	663
1979	605

Source of Data: Computer tapes purchased from Sales Management Systems, Don Mills, Ontario.

4. Known physicians practicing outside medical care: About 2,200 practitioners.

RESEARCH INTO METHODS OF IMPROVING EFFICIENCY OF ENERGY FOR HOME HEATING

Question No. 307—**Mr. Herbert:**

Is the government conducting research into methods of improving the efficiency of using (a) oil (b) gas (c) electricity for home heating and, if so, have any findings been made public and would such information enable the householder to compare the present day comparative costs of these fuels for heating purposes?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

(a) A major program to improve the efficiency of oil heating equipment has been developed by EM&R in conjunction with the Canadian Standards Association, oil furnace and burner manufacturers, and the oil industry. When installed, this package should reduce the energy consumption by an average of 20 per cent, both as a result of the more efficient combustion of oil and as a result of matching the size of the furnace more closely to the heating demand of individual houses. Before promoting such a program on a widespread basis, it has been essential that the retrofit package be tested and shown to be completely safe. An acceptable procedure for testing retrofit equipment has been developed by the Canadian Standards Association, and seven manufacturers are currently preparing to submit equipment for testing against this standard. The cost of these tests will be financed by EM&R. In addition to encouraging development and certification of acceptable equipment, the successful implementation of a retrofit program requires the upgrading of oil burner mechanics. To achieve this, EM&R has conducted a series of seminars to train provincial instructors of furnace servicing mechanics on appropriate techniques for installing the retrofit package.

Beginning this year, a publicity and promotion campaign is planned to advise the public of the package, and to inform them of the benefits of installing this equipment.

(b) No similar retrofit package has not yet been devised for gas heating equipment. A co-operative program with the gas association, the gas utilities and the provincial regulatory bodies has recently begun, and a research program designed to develop such a retrofit package will soon be initiated.

(c) With respect to electric heating, the federal government has over the past several years, provided substantial funding for the Canadian Electrical Association to support the development of heat pump systems which are appropriate for the Canadian climate. It is expected that when such systems are prepared, they will offer a significant efficiency improvement over current electric resistance heating. Studies have also been undertaken on the cost effectiveness of hybrid heat pump oil systems which would further improve the over-all performance of such systems during the entire heating season.

Since the above studies are generally at a research stage, no specific proposals to implement programs to encourage the widespread installation of such systems are in preparation.

The information which is currently available to householders will not generally permit a realistic assessment of the relative efficiency of specific oil and gas furnaces or boilers in their home. Steady-state efficiency measurements of gas heating systems are not made publicly available by the Canadian Gas Association. Further, the seasonal efficiency of a furnace varies considerably, largely as a result of proper sizing of the furnace to the heating requirements of the house. No simple method of estimating seasonal efficiency has yet been developed to allow householders to make reasonable predictions of final use in a specific furnace.

Other initiatives have been taken by the federal government to reduce the heating bill of householders, regardless of the type of fuel they use. The CHIP program under which grants of up to $500 are provided for insulation materials, was designed to encourage the installation of insulation materials which will reduce the average energy consumption by 37 per cent. In many cases of detached housing units, savings of over 50 per cent can be expected. This program can thus allow substantial savings in energy-related expenditures, regardless of the type of fuel which is currently used.

ECONOMIC DEVELOPMENT—NUMBER OF LAWYERS EMPLOYED

Question No. 605—**Mr. Howie:**

How many lawyers are employed on staff in the Ministry of State for Economic Development?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): None.

Order Paper Questions

INDUSTRY, TRADE AND COMMERCE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 706—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Industry, Trade and Commerce for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. 14 contracts.

2. (a) 11

(b) 3

(c) None.

3. None.

4. $90,683.00.

ENVIRONMENT—FIRE DAMAGES TO BUILDINGS IN NORTHWEST TERRITORIES

Question No. 720—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 due to fire damages to buildings recorded by the Department of the Environment in footnote number 3 at page 12.62, Volume I of the 1978-79 Public Accounts of Canada, did the department take steps to determine the cause of the fire in the hydrogen shed at (a) Baker Lake, N.W.T. (b) Fort Smith, N.W.T. and, if so, in each case, what were they?

2. Was the department able to determine if anyone was culpable in the fires and, if so, what action was taken against them?

3. Did the department undertake procedural or structural changes to ensure that such losses do not recur and, if so, what were they?

4. What use does the department make of the hydrogen sheds?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): 1. (a) The fire at Baker Lake, N.W.T. was investigated by a team comprised of R.B. Hall (Electrical Engineer—Instruments Branch), J. MacLeod (Air Inspector—Central Region) and J. Keefe (Safety and Security Officer Atmospheric Environment Service). In that the building was totally destroyed and the contents very badly burned, the task of determining the exact source of the fire was a difficult one. After careful examination of the fire scene and consideration of the information obtained from witnesses the investigating team concluded the probable cause of the fire to have been a malfunction in the electrical cubicle of the Stuart Electrolytic Hydrogen Plant. Because of the combustible nature of the building construction, the fire was able to spread to nearby walls and flooring.

(b) The fire at Fort Smith, N.W.T. was investigated by E. C. Holly, (Chief, Airport Emergency Services—Transport Canada, Fort Smith), P. Chporney (Meteorological Inspector—A.E.S. Western Region) and the station officer in charge. The cause of the explosion was immediately evident as having been a procedural one. A weather balloon being inflated with hydrogen was not adequately clamped to the filling stand and broke loose during the inflation process. The balloon, being lighter than air, immediately rose to the ceiling where ignition occurred (probably from static electricity) and the hydrogen gas exploded.

2. There was no evidence to indicate culpability in either incident.

3. The structural design of a hydrogen inflation/storage building has been under review for the past three years by Environment Canada and Transport Canada. As a result of this review a basic design package has been formulated which meets or exceeds all existing standards for such structures. Included in the new design is non-combustible construction material which probably would contain and prevent the spread of an electrical cubicle fire such as Baker Lake and adequate explosion venting which will enable a building to withstand the pressure of a balloon explosion as occurred at Fort Smith. The explosion venting also provides protection of anyone in the building at the time of such an explosion by preventing pressure increases which reach a hazardous level. In addition to the design changes, all upper air employees have been warned of the hazard associated with the balloon not being adequately clamped to the filling stand.

4. Hydrogen is needed for inflating aerological balloons because it is the lightest of all known gases. The balloons carry aloft an electronic instrument to measure the pressure, the temperature and humidity of the air through which it passes. The information thus obtained is picked up by a receiver at the ground station. Hydrogen sheds are used to house the Stuart Electrolytic Hydrogen Plant which produces hydrogen by means of the electrolysis of water. Hydrogen thus produced is stored in a 650 standard cubic foot tank at a maximum pressure of 100 pounds until it is used to inflate the balloon.

CN-CP—TELECOMMUNICATIONS—TCTS—COMPUTERS CONNECTED TO NETWORKS

Question No. 808—**Mr. Beatty:**

1. Do departments or agencies have computers which are connected as hosts to the (a) Datapac network of TCTS (b) Infoswitch network of CN/CP Telecommunications and, if so, which ones?

2. In each case, what was the average network traffic, measured in packets-per-day, in the first four months of 1980?

3. In each case, what application packages or data bases were remotely accessed during the first four months of 1980?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): 1. The following department or agencies have computers which are connected as hosts to the

(a) Datapac network of TCTS:

Agriculture

Communications

Energy, Mines and Resources

Environment

National Research Council

Post Office

Veterans Affairs

(b) Infoswitch network of CN-CP Telecommunications:

Employment and Immigration

Supply and Services

2. In each case, the average network traffic, measured in packets-per-day, in the first four months of 1980 was:

(a) Datapac:

Agriculture: 682

Communications: nil

Energy, Mines and Resources: 7,707

Environment: nil

National Research Council: 30,000

Post Office: 4,305

Veterans Affairs: 328

(b) Infoswitch:

Employment and Immigration: 57,026

Supply and Services: 5,000

3. In each case, the application packages or data bases which were remotely accessed during the first four months of 1980 are:

(a) Datapac:

Agriculture: AGNET scientific computing network

Communications: testing Telidon videotex system

Energy, Mines and Resources: a large number of mostly scientific data bases of which the followingare examples:

Financial and Personal Systems

Hazardous Materials

Mineral Deposits

Oil Import Compensation

Surveys and Mapping Project Control

St. Lawrence River Basin Study

Ottawa River Basin Study

Water Resources

Glaciological Data

NAQUADA (National Aquatic Quality Water Quality)

Fish Quota Management System

Foreign Fishing Vessels Licensing System

Tides and Water Levels

Wave and Climate

Environment: not operational at the time.

National Research Council:

CAN/OLE (On-Line Enquiry) system with 18 bibliographic data bases, such as:

Biological Abstracts

Alberta Oil Sands Index

Chemical Abstracts

Engineering Index

Canadian Transportation Documentation System

Northern Research

Post Office: Manpower Utilization and Analysis System

Veterans Affairs: veterans data base

(b) Infoswitch:

Employment and Immigration: Field Operational Support System for Immigration

Supply and Services: FINCON financial control system

● (0000)

TREASURY BOARD—STUDIES ON PENSIONS

Question No. 840—**Mr. Howie:**

Since January 1, 1978, were studies made by the Treasury Board regarding the cost of continuing the full pension to the widow of the recipient of a public service pension?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): No studies regarding the cost of continuing the full pension to the widow of the recipient of a public service pension have been completed since January 1, 1978. However, all aspects of survivors' benefits including their costs are now being reviewed in light of the recently promulgated regulations to the Human Rights Act as they relate to employee benefit plans.

INTERNATIONAL IMPORTS—WATERLOO ONTARIO

Question No. 933—**Mr. McKinnon:**

Did DND let a contract with International Imports of Waterloo, Ontario, for the purchase of $49,701 worth of rifles and, if so, for what type and for how many?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): The Department of Supply and Services, on behalf of DND let a contract with International Imports of Waterloo, Ontario for the purchase of 72 match rifles in the value of $49,701.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed, from Wednesday, June 18, consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, as we came to six o'clock yesterday, I indicated that I would be changing my tack from the cataloguing of various administrative and regulatory problems within the department which I discussed yesterday. I began my remarks yesterday by saying that one of our main reasons for opposing Bill C-3 is that the UIC program has come more and more to be one in which the people who have the least end up paying the most and receiving the least benefits, particularly in recent years.

I would like to refer to some figures which will demonstrate rather clearly how this is happening within the administration and the effect it is having on our unemployment insurance system. The figures to which I will be referring are based on 1978 statistics, so there may be some minor discrepancies, but basically the message will hold true. For example, for someone who had an earned income in 1978 of $6,000, the required contribution was $90. Of course, because of the income level, such an individual does not receive any deductions from taxable income because he does not have a taxable income. Therefore, the net contribution is $90, and should he become unemployed he would receive a weekly unemployment insurance benefit of $76.92.

For someone who earned $50,000 a year, the required contribution was $187.20. The tax savings received as a result of the deductions based on those contributions was $97.04. Basically the net contribution would have been $90.16 in order to be eligible for benefits. The benefits which he then received were $160 per week. Therefore, someone earning $6,000 would pay $90 to get $76.92, while the individual who earns $50,000 would make a net contribution of $90.16 in order to receive benefits of $160 instead of $77 per week.

Another example concerns an individual who earns $10,000. The net contribution would be $111.12 for the year which would then entitle that individual to $128.21. That figure is compared to someone who earns $20,000 and who makes a net contribution after taxes of $119.81 to receive $160. In other words, the lower a person is on the income scale, the more they pay, but the less the benefit to which they are entitled. The benefit evens out at annual earnings of approximately $15,000 a year, but there is an obvious inequity in such a system.

● (1530)

Any time we consider drawing up a social insurance plan or a means of redistributing income—and this is more properly an insurance plan—whether it is family allowance, UIC or anything else, members of this House would normally feel that people should pay according to their ability and not that the poorest pay the most to get the least.

Rather than pursuing the direction set by this bill, the government would be better advised to reduce dramatically all premiums and then not allow them as a deduction from income. I know that the minister cannot take such action on his own, but in order to overcome the inequities in the unemployment insurance system perhaps it would be wise to reduce the premiums and not make them deductible from income. This would make for a more fair distribution and a greater degree of equity in the unemployment insurance system, as those earning the most would pay accordingly; and in the event of becoming unemployed they would receive appropriate compensation. Because of the problems experienced in applying exemptions and deductions as opposed to tax credits, almost all our income redistribution and social insurance programs have suffered.

In 1971, when the hon. member for Lincoln (Mr. Mackasey) was minister, he introduced what most people in the country and in this House considered to be a rather good package. Since then, the government which saw fit to give has also seen it as their prerogative to take away. As the years pass they have been taking more and more away. Premiums were slightly reduced at the beginning of 1978, but at the same time it was decreed that, instead of unemployment insurance benefits being set at 66⅔ per cent of normal earnings, they should be reduced to 60 per cent. Premiums have risen since then, so we are now paying more and receiving less.

The bill before us provides that in future the administrative costs of the national employment service will not be paid out of general revenue but rather will be covered through increases in employer-employee contributions. I fail to see the rationale for this, other than that it brings more revenue into the government's coffers. There is certainly no rationale in terms of equity or social cost accounting. Other items that come under the unemployment insurance program such as maternity leave, sick leave, etc., and which have gone beyond the bounds of the initial concept of unemployment insurance, should really not be paid for through employer-employee premiums. They are not related to the experience of any particular industry. On actuarial grounds it is difficult to justify such payments coming out of premium income rather than out of the general revenue of the government.

I should like to turn now to some examples of individual problems or localized issues which occur in the administration of the system. Yesterday I decried the backlash which sometimes occurs in the country and also in this House in times of high unemployment when people attempt to attack the unemployed instead of unemployment. We hear phrases like, "The unemployed are lazy and do not want to work"; or "They are freeloaders who have it too soft and can live better on UIC than on wages". This is an ironic commentary in itself on income levels in this society, Mr. Speaker. Statistics on unemployment issued within the past couple of months have predicted a growing problem for the next few years. If the usual line

of thinking in the country is expressed, we will hear those phrases again and again in the future and there will likely be a call for a further crackdown on alleged abuses.

It has often struck me and many others, Mr. Speaker, that if the business community attempted to eliminate shoplifting it could go broke in the process. A percentage of abuse or loss must be allowed in any business. I think we ought to look at the unemployment insurance system in the same way. We should attempt to persuade the rip-off artists running around that they cannot get away with such abuse. But it is folly to engage in a program such as the one introduced a few years ago when hundreds of thousands of dollars were spent to hire investigators and run advertisements to bring the abuse below the level that is normal in any other business activity. Surely, at some time we reach the point of diminishing return.

I worry that we will face a period of backlash on this question very soon. Attempts to tighten up the system do not usually affect those who make a profession of ripping it off. Unfortunately, there are a few of those people and they quite often become specialists in this line. No matter how the regulations are tightened up or the laws redrafted, they can always find a way around them. Those who suffer are those who seldom claim benefits. They may mistakenly think that because they have contributed to the plan for years and years they have earned the right to benefits, but as they are not experts on the rules, when faced with stalling, red tape, trick questions or hassles their reaction is often to say, "To hell with the UIC and the government", and walk away with it. As a result, they and their families suffer because of their stubborn although rather admirable pride. It is through no fault of their own that they are out of work, even if it is only temporary, and they tend to resent interrogation and the often trick questions that they are faced with.

I should like to draw your attention now to a few specific areas that should be changed. In terms of the deduction of income tax from unemployment insurance benefits, it can be argued, and it is now the case, that we treat that as income. If we treated other sectors in our society in a somewhat equal way, I suppose one could say that that is fair. When we deal with the unemployed, we say a buck is a buck. The Carter royal commission tried to suggest that we do that in other areas of our economy a few years ago without as much success as it had in the administration of unemployment insurance.

● (1540)

Is it not possible for the government to consider holding back on the deduction, holding back on receiving those revenues, until the end of the tax year when people fill out their forms? When someone is thrown out of work, that is the time when a person is least able to take an even further cut in income. Certainly if one's annual income comes up to an appropriate figure, that person should be paying taxes. That is fine, but when a person is already taking at least a 40 per cent reduction in income level, I suggest that that is the wrong time to be drawing back into government coffers even further the rather small amounts of income on which these persons and their families have to live.

Other members mentioned earlier in this debate that they felt the matter of workers' vacation pay should not be considered as income for the purpose of delaying payment of unemployment insurance benefits. I would agree with that. Again, it is difficult to find any reasonable rationale for the delay that is caused in making payments simply because someone over the course of the year has accrued moneys to be used for that person's vacation. Why should people be expected to give up their vacation simply because they happen to be unemployed for two months of the year? They pay for that. Those who negotiate agreements make some sacrifice. They make a trade-off. It is not extra money, but it is for a specific purpose, and surely those people are entitled to proper vacations the same as anyone else.

The final issue I want to raise is that of double jeopardy when it comes to the situation of employees who are fired. When an employee finds himself dismissed—maybe quite properly, and in many cases it is—from his employment because of some action or inaction on his part within the company for which he works, that is enough penalty. But to suggest that people's unemployment insurance payments should be held back for a period of six weeks when they have already been faced with the maximum penalty that someone in the work force can pay for whatever indiscretion, is a form of double jeopardy and totally without any justice.

Some people feel that the Liberals giveth and the Liberals taketh away. In my opinion, that is what we have seen over the period of the last few years. I do not know what the hon. member for Lincoln is going to say, but I suspect that he will have some regrets to express about some of the things that have happened to this program over the last few years. If he does, then I wish him every success in trying to bend the social conscience of that party which forms the government into the direction which hundreds of thousands of Canadian workers wish it would take. It is not a welfare program. It is not basically an income distribution program. It is a program of social insurance, but it is more than insurance for working people who find themselves out of work. It is insurance for the democratic process and it is insurance for the society in which we live. It did not come into place, this program or others like it, because of the soft hearts either of the population at large or members of this House of Commons. It came into place because it was necessary to keep society operative and its economy functioning.

It takes only a very quick glance at the kind of material we find in newspapers daily to see suggestions that we are moving into perhaps the deepest recession—if that is the term—in decades. It would be necessary, not only for the working people of this country, but for the people of the business community in Canada and all others, that we maintain those people who have been in our work force at an appropriate and dignified standard, at least in the short term. This should be done until we can put into place in Canada the kinds of mechanisms, job-creation opportunities and intelligent planning which will

hopefully ensure some day that the benefits of Canada's production will be equitably shared in some rational way among the people who do the basic work and pay the bills of keeping our society operating.

I urge the minister and the officials of his department to finally show more flexibility and allow more flexibility at the local level within the administration of the unemployment insurance system. Is it really necessary that everything, whether in a regulatory or legislative way, be locked in? Many members of boards of referees, whether they are employer representatives, employee representatives or even people who serve at chairpersons on those boards over the years, have developed a great wealth of experience. Perhaps it would be advisable, to get some constructive and informed input on the kinds of problems that are faced on the ground floor, to call together representatives of these boards of referees from across the country on a regional or on a national basis. By doing this, an attempt would be made to get input and see what kinds of changes they feel are necessary to give them the tools with which they can do a better job, not only in terms of guarding the treasury of the country but in terms of serving the legitimate needs of the people in their areas.

One of the recommendations may be that new members of these boards of referees should be given a little more opportunity to learn the ropes before getting started in the business. These are mostly part-time people. At the moment I believe all they are eligible for on a paid basis is one day to gain experience and get some training. Many would like the opportunity to sit in for one, two or three days just to listen, watch and get a feel for the kind of process that takes place. I think that would be a worth-while investment and a very small one.

I urge the minister to allow for more flexibility at the local level, both for officials within the commission and for people operating on the boards of referees. They can then use the combination of their hearts and their heads and apply the rules, hopefully, in a more constructive and humane way for the benefit of everyone—government, society and unemployed workers alike.

[*Translation*]

Mr. Rosaire Gendron (Kamouraska-Rivière-du-Loup): Mr. Speaker, when Bill C-14 was first introduced, I and several of my colleagues had many reservations in respect of this bill. We feared that it might hurt heavily disadvantaged areas like ours, and we wanted to get the assurance and guarantees that indeed disadvantaged areas would not be unduly hurt by the implementation of this legislation. We were then given the assurance that all the money saved through stricter implementation of the law would not go to the treasury, but would be re-invested in disadvantaged areas to create employment through Canada Works projects, that more emphasis would be put on manpower retraining projects, in short on training, and that emphasis would be put on work rather than on unemployment.

• (1550)

The second safeguard was that regional redistribution, what is called the zoning of unemployment insurance, would be done in such a way that statistics would reveal the exact unemployment situation in the various regions. The minister gave us the assurance that a joint task force from Statistics Canada and the Department of Employment and Immigration would be set up to evaluate the situation and give equal chances to disadvantaged areas and more justice to the unemployed.

It goes without saying, Mr. Speaker, that we as members of the House have been frustrated for a long time. This commitment by the minister can be found at page 2419 of *Hansard* for December 22, 1978. The minister referred specifically to the hon. members for South Western Nova, Charlevoix, Compton and Rivière-du-Loup-Témiscouata. The elections have added the hon. member for Rimouski (Mrs. Côté) who is in a rather odd, peculiar and unfair situation in that the Témiscouata part of her riding, where seasonal employment is more common, is in a non-privileged area, while the Rimouski part, maybe better off, is in a privileged situation. We waited for the report of that task force for so long that we began to have doubts about its very existence and expressed our concerns to the present minister.

I also made a number of representations under the last government in order to have the work accelerated and the situation rectified. The statistics which are still being used as a basis to figure out the unemployment rate revealed a rate of approximately 9 per cent while the media and myself, using information from the local UIC and manpower offices, came to a rate of unemployment running between 31 per cent and 41 per cent.

I ask hon. members of the House where in this country would people tolerate such a rate of unemployment without demonstrations and possibly riots. Still, when we made representations and showed our figures to the officials in order to correct the situation, we were told that the statistics of the department were scientifically established and that some form of averaging was used. If that were as accurate as science could get, boy, we would be in serious trouble. As far as averaging is concerned, it cannot fill one's stomach. As far as the people of my riding are concerned, they currently have to live on baloney. But we kept on fighting and we hope that the two being interrelated—region, redistribution or zoning and statistics—the department will in the end establish the actual rates of unemployment and put an end to the feeling and general atmosphere of frustration which is quite real in my riding and also quite justified.

And when I am told that Statistics Canada is in 46 areas and ten cities, I believe, in terms of setting up these unemployment samples, I find it hard to understand that the unemployed themselves should have to meet Statistics Canada's needs rather than Statistics Canada determining the actual unemployment situation in the areas. A simple telephone call

to the local UI office in Rivière-du-Loup would give them the actual figures and if they have to go by samples, let them at least go in areas of high unemployment and take that as a sample, in order to do justice to workers and the unemployed.

In terms of areas, I do not think a Ph.D. in geography is needed to understand that Grand Portage is part of the Lower St. Lawrence area and the Gaspé Peninsula. But I do not see why they go on using areas that do not truly reflect the local and regional situation, thereby diluting the high unemployment rate in underprivileged areas with the rates of others that are better off. This creates a double injustice because it means that in terms of statistics the worst off areas are giving points to more prosperous ones, subsidizing them both with UI benefits and with public funds under the job-creation programs, including the Canada Works projects. The most in need are paying for the rich. That kind of nonsense must stop. It must be corrected.

One does not have to be a wizard in order to find a solution to the problem of one area reflecting on the other. Let the make-up of one area reflect on another. This is what we say: Let us determine the true unemployment rate of each one, and this will put an end to cross-subsidization. This way the areas with real needs will be treated justly.

Of course the frustration of members of Parliament has been widely shared by the unemployed themselves, who established a regional common front including the following groups: Comité le réveil du transcontinental; the Kamouraska East committee against unemployment problems; Kamouraska Action Committee; Operation Dignity II; Rivière-du-Loup Unemployment Action; JAL and Basques workers and unemployed groups.

I should like to read parts of a letter that was sent on June 11 to the Minister of Employment and Immigration (Mr. Axworthy):

> The regional common front against the designation of unemployment insurance area of Kamouraska-Rivière-du-Loup, Témiscouata and part of Rimouski wants to remind you of its annoyance at the delayed announcement of changes to the present limits of economic areas for unemployment insurance purposes. The common front also wishes to repeat its claim regarding the designation of the area and indicate what makes other proposed solutions unacceptable to us.
>
> We think it is important first to remind you of the effects that resulted from the designation of new areas following the passage of Bill C-14. Because of the many seasonal jobs and despite a very high unemployment rate, many workers were denied unemployment insurance benefits because they did not meet the new requirements attached to the integration of our area to that of Quebec. Such a situation has brought those workers very serious financial difficulties, insecurity and all those social and family problems that could entail. Those cuts in the right to unemployment insurance have led, of course, to a slowdown in regional economic activity through a reduction of the purchasing power of those unemployed workers.
>
> Even this time of the year the new zoning is still having substantial effects. Some people have gone back to work but many of them were unable to do so due to the economic slowdown, particularly in the construction industry. Workers who could not accumulate enough weeks to qualify under the new zoning still find themselves in a very difficult position. The others who were able to get benefits are having their weeks of benefits greatly reduced in the supplementary phase and, in a lot of cases, are no longer entitled to them. So there you have a quick picture of the situation to show the urgency of amending the present unemployment insurance zoning.
>
> What the regional common front (KRT plus part of Rimouski) has been asking for since the beginning, about a year now, is that the zone of Grand Portage (Kamouraska-Rivière-du-Loup-Témiscouata, part of Rimouski) be taken out of the Quebec City area and put in the Lower St. Lawrence-Gaspé area.
>
> Several reasons have already been given in support of that request, the main one being that the regions of Kamouraska-Rivière-du-Loup-Témiscouata and part of Rimouski have a socioeconomic situation much more similar to the Lower St. Lawrence-Gaspé area than the Quebec City area. That claim can be readily verified if you take a look particularly at the number of unemployment insurance claimants, the number of unemployed workers registered with the Canada Employment Centre in relation to the population and the regional rate of unemployment.

Those representations resulted in commitments by no lesser people than the present Prime Minister (Mr. Trudeau) and five or six ministers who committed themselves during the election campaign to correcting that situation. We have since had the task force report but that report is still based on data produced by Statistics Canada which I question and which do not reflect, far from it, the unemployment situation in the area. So I urge them to review their statistics and I urge the minister to put pressure on them so they will do a sampling in the area.

Since they want to use samplings, I would suggest to them and to the minister—the administration would be much simplified—and some will certainly say that according to the act, the figures of Statistics Canada must be used. I do not want to wait for amendments to the act before this problem is solved, but if the figures of Statistics Canada have to be used they should at least change their method of operation and communicate with the manpower centres. Officials in those centres are the ones who are really aware of the situation and who could give their due to the workers.

I know that the minister is also in communication with other members of the cabinet, especially from the Quebec area, to review this situation. In fact, this bill is valid if it aims at extending the application of the variable eligibility requirement, but we find it unacceptable if the problem of zone designation is not rectified because this would perpetuate an inequity. I therefore ask the minister and his cabinet colleagues to make every effort to correct this unacceptable situation, especially for an area where 95 per cent of the young people, whose education has been paid for by their parents and the region, have to go elsewhere to earn a living.

When we know the level of unemployment, and I repeat that it would never be tolerated anywhere else, I ask whether a rate of 40 per cent would be accepted in Winnipeg or Windsor. There would be a revolution! Does anyone think that we will accept such a situation because we live in a peripheral area and because people talk about the beauty of our region? Heaven knows that we are ready to work and heaven knows how many struggles there have been to develop our country. Yet, how many problems we still have and how many obstacles

are laid in our way! We have to conclude that we are talking to a brick wall. However, when we have unemployment problems, we would like this at least to be recognized and our workers to be treated fairly. We would also like the authorities to show particular understanding for all the regional programs aimed at correcting the situation of unemployment and providing a future for our young people and security for the adults, so that the region that we love so dearly may truly make some progress. In the meantime, something is urgently needed and this is not to perpetuate an obvious inequity through Bill C-3, but rather to correct the situation immediately.

● (1600)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, the purpose of unemployment insurance is surely to look after those who are genuinely unemployed. There are so many "ifs", "ands" and "buts" connected with the Unemployment Insurance Act that the genuine cases sometimes experience a great deal of difficulty in getting assistance. Most people want to work and most people will go the second mile to secure a job. The purpose of unemployment insurance, then, is fulfilled to the greatest degree by making sure that men and women who are unable to find employment despite every effort on their part when they are able to maintain a reasonable standard of living. I do not think anyone wants those who are unemployed through no fault of their own to live in dire poverty or in an abnormal way.

The fact that unemployment insurance is sometimes used unfairly, or abused, makes it all the more important that we endeavour to recognize which are the genuine cases and which are the fakes. In my opinion, policy with regard to unemployment insurance has not been carefully thought out over the past several years. For a number of years, economic conditions have been good. The economy has been affluent. During those good years we should have been building up the unemployment insurance fund to look after the lean years. Economists know, as I think everyone knows, that there are some good years and some bad years. We remember the biblical reference; people filled their granaries during the years of plenty so that they would have food in the years of scarcity.

Such foresight is applicable to the management of funds such as the unemployment insurance fund. Today we worry about the fund being able to do the job for which it was set up. Well, we have experienced many years of affluence during which it would not have been difficult for the government to have set money aside in the fund to make sure that those who were unemployed in the future through no fault of their own might have a reasonable standard of living.

Some people criticize the government of Alberta for setting up a heritage trust fund, but in my opinion the premier and the legislators of that province should be commended. They realize they will not have oil and gas forever and that unless proper disposition is made of the revenues now there will be difficult times facing the province in the future.

● (1610)

We also realize that the oil and the gas which come out of the ground today do not belong solely to the present generation but that the future generation has a claim on them too. Premier Lougheed and his cabinet set up the Alberta heritage trust fund of which one-third of the revenues will be used to look after the future, to provide jobs when present jobs are gone, and to make sure that we do not place a heavy load of taxation on the shoulders of our people when the going is tough.

I cannot see why this could not have been done with the unemployment insurance fund. The revenues of Canada have been exceptionally good for many years, in fact since the Second World War, but there has been no planning. Instead of setting some money aside, shamefully we have gone into the markets of the world to borrow, as if we could borrow our way out of debt. And we are still trying to do that. Now we are trying to work out ways and means of taking as many people off unemployment insurance as possible.

I sympathize with the minister's having to decide on policies which will take away unemployment insurance benefits from people who are legitimately unemployed. That should never be the policy of an unemployment insurance fund. There is really no reason why this fund today should not be large enough that we would not have to worry about the unemployed having at least a reasonable standard of living. If the fund is worth anything at all, it has to provide benefits to men, women and their families during periods of unemployment. History tells us that every country suffers periods when there are large numbers of people who are unemployed. The policy of making provision for the future was not followed, and today the unemployed in many areas are suffering. The old saying "Where there is no vision, people perish" was never more true than when applied to the situation of unemployment insurance, which was designed to help those who cannot find work in spite of all their efforts.

Now I should like to deal for a moment or so with the positive aspects of unemployment insurance. The best possible way of handling an unemployment insurance scheme is to make sure that we have as much employment as possible and that jobs are available. Yet many things are done today by government which result in the elimination of jobs. Then we castigate people because they cannot find work or because they go on unemployment insurance. In many cases they must apply for welfare. I suggest to the minister—who I notice is not in the House—that he should do his utmost to get people back to work. Every day we hear questions about what we are doing to provide employment for more people, and every day we learn that the matter is under consideration or is being studied. We do not hear concrete proposals which will get people across this country working. In a country as rich as Canada there should be minimal unemployment. There will always be some unemployment but it should be kept at a minimum.

What are some of the things that we do today to stop people from investing money? When people invest money in an

industry, men and women are hired. That is what creates employment. If we can have hundreds or thousands of small shops across this country employing one or two people, it would cut down the unemployment rate drastically and add to the buoyancy of the economy. But we do not encourage this.

Today it is difficult to go into business. There are obstacles from every level of government and people become discouraged; they do not want to go into business or invest in business. They say: "If they do not want my business, I will go elsewhere." I was stopped by a man in the streets of Calgary in 1978 who said, "I am completely disgusted with this country." "How come?", I asked. He said, "I have tried to invest money in three provinces. All I have run up against is obstacles, difficulties and frustrations. So I went to the United States where I have invested $100,000. I have $200,000 more that I wish to invest, but I will not invest a cent in this country until things change."

What was one of the beefs he had? Capital gains tax was one. It is killing initiative, stopping the expansion of businesses and ruining the retirement plans of people who have spent their lifetime building industries, farms or businesses in this country. Today the government still wants in taxes half of every cent you make, when you are expanding or selling your business. How many hundreds of people are unemployed today because of the capital gains tax?

Look at the amount of money which comes in from the capital gains tax and the money which is being spent to look after the unemployed. I have no hesitation at all in saying that the government would be smart and clever to eliminate the capital gains tax. If the owner of a lumber yard wants to expand his business, or if someone wants to build a heritage for his sons and daughters or put away money for his retirement, he would have the incentive to do so. Today there is no such incentive and many people who wanted to retire at the age of 65 or 70 do not retire because of this capital gains tax. When they do not retire, they keep their business as small as possible, just large enough to make a living, whereas if they could sell it to a younger man or to someone who wants to advance, more people would be employed and there would be more production. Sometimes we forget that if this country is to develop economically, we must increase our production. It is from production that all good things come. Unless we increase our production in this country we will not have as good a life as we could have.

The unemployed also deserve a good life; they are entitled to it. It is important to get people working again. Let us provide work and jobs for those who want to work by removing the impediments which today prevent businesses from expanding. If we removed some of these obstacles, such as high interest rates, this will have a tremendously beneficial effect on our economy. Look at the effect high interest rates have on the housing industry. High interest rates prevent people from building houses and they eliminate jobs.

• (1620)

For the last several days I have wanted to ask a question of the Minister of Industry, Trade and Commerce (Mr. Gray) but I have not been fortunate enough to be recognized. I wanted to know how much interest was being charged on the line of credit of $25 million which we gave to Mexico a few weeks ago. That information was passed on to us in a press release, but it did not indicate anything about the interest rate. My assistant phoned the department to find out what interest rate was being charged, and someone in the department said that that was confidential information and could not be given out.

Why not? It is the people's money we are lending and the people will be responsible for the line of credit. Since when have members of Parliament been denied information concerning interest rates? Is it because the interest rate is similar to that which was announced the other day by a member and carried in some of the papers? Is it a zero per cent interest rate or a 3 per cent interest rate, while the people of the country have to pay 12 per cent or more? If we can cut interest rates for other countries, surely we can cut them so that people in this country can have homes and the unemployed can go to work.

I am not asking the hon. minister to tell me that it cannot be done; I am asking him to find ways of doing it. That should be the positive approach of any government in this day and age. It is not to say that we cannot do it or it has never been done, but it is to say that we will find some way of doing it. I am satisfied there are ways if there is a determined effort. I wonder how many hon. members of this House have ever been unemployed for any length of time. Fortunately I have not, but I came from a home in which I was one of ten. My father had a hard time feeding all of us. It was hard enough when he was working, but when he was unemployed for several weeks or months I saw the aging effect it had on my mother. She was worried we could not pay our grocery bill. We did not know where money was coming from. In a way I am thankful I had to go through that, because today I have feelings for those men who are unemployed, their wives and their children. They do not know from where the next meal is coming.

An hon. Member: They will have to eat baloney.

Mr. Taylor: I hear an hon. member saying that they will have to eat baloney. I should like to tell him that today many of our unemployed cannot even afford baloney; baloney is not cheap any more.

An hon. Member: Except around here.

Mr. Taylor: Except possibly in the House of Commons where at times we get quite a bit of it, but one cannot eat that. Perhaps it would be good if some members of the House of Commons were unemployed for a while and felt the pangs of hunger. Maybe they would have more heart for those who are unemployed today and double their efforts to provide them with jobs, because most of them want to work.

There are many other ways in which to provide incentive, but we do not have the time to go into all of them today. We should provide an incentive for people to invest their money in this country instead of other countries. I believe the money is in this country and Canadians are anxious to see industries, shops and businesses expand, if we would just provide the incentive. But when we make it difficult for anyone to go into business, no wonder the money is leaving our country, and no wonder every time $100,000 leaves Canada a number of people are left unemployed. That will grow and grow unless we start changing it.

I want to say a word or two in connection with the regions. I cannot follow this matter. If a man with a wife and a family of five is unemployed, he feels the dint of unemployment just as much as if there are 1,000, 2,000 or 10,000 unemployed. Why is there a difference? Is it because we think people do not want to work? Why do we say that we will pay the unemployed so much in one area and less in another area? They are all human beings. They all have wives and children or husbands and children. They all get hungry. Their stomachs ache when they do not get food. They bleed when they are pricked. Too often we try to work out ways and means of cutting down the amount, until we get to the point where we wonder if they have enough on which to live. A genuine, bona fide case of unemployment, whether there is one person or 1,000 unemployed, should receive equal and fair treatment.

I feel very keenly for the point I believe the last speaker was making on behalf of the people of his area. When one comes from an area without the large daily press, sometimes one's case does not secure very much publicity or attention. But if there is unemployment in the area, the people feel the dint of it just as severely as those in the big city where there is a daily press to espouse their needs.

I should like to deal for a moment or so with administration. I realize the administration of the unemployment insurance fund is difficult because everybody is not honest. I think most people are genuine and most people want to work, but there is a percentage who do not want to work and find technical reasons for drawing unemployment benefits without really being genuinely in need or unemployed. One winter in the city of Edmonton, I put on a leather jacket and went down to the CNR depot. That evening there were 20 or 30 reasonably young men there between the ages of 20 and 30. I sat and talked with each of them in turn. Out of the bunch who were there, 15 of them were on unemployment insurance. They made no bones about it. They did not lose their jobs; they just did not like working in the wintertime. I said to one of them, "Well, I do not like working in the wintertime either but I have to do it to hold my job." He said, "We do not. We work in the summer to build up enough unemployment and then we draw it in the winter."

That was not the purpose of unemployment insurance. I can understand genuine unemployment in a coal mining area in the off season when there is no work. I have seen that many times in my lifetime because I come from a coal mining area. I can understand genuine unemployment in a fishing area where off season there is no work to be had. But in an area like Alberta where young men decide to work in the summer and enjoy the winter in the bright lights of the cities, that is not genuine unemployment. It might be a nice life, but it is not the purpose of the unemployment insurance fund to support that sort of life. No wonder farmers and businessmen are frustrated when they go to unemployment insurance offices and see a line-up of people but no one will go out to their establishments to work. One motel in Lake Louise last year had to close up a month early because they could not find anyone who would work.

There are abuses. I agree with the hon. member who said a few moments ago that we should not spend a lot of money and go on a witch hunt, but when these abuses show up let us throw the book at them. These people are taking food out of the mouths of those who are genuinely unemployed. I have no sympathy for those who abuse this system for their own particular advantage, but I think the situation could be rectified if the desire is there.

• (1630)

I wrote a letter to the minister of the last government. The government was defeated, so I wrote another letter to the present minister in connection with young students. Employers hiring young students who are going back to school at the end of the summer season have to deduct unemploymemt insurance premiums, which are then refunded when the students return to school. Employers in the area of Banff have told me it is hard enough to get employees there without having to deduct these unemployment insurance premiums, particularly when it is known that those young people will return to school and the deductions will be refunded. Let us put some sense into this thing. Those employers told me they could not see any sense to this procedure. I hope the minister will show some common sense in this regard. Ordinary everyday horse sense is the most wonderful thing this country ever had, but we do not have enough. We need more to straighten out a lot of these things.

Unemployment insurance was intended to provide a reasonable standard of living for those who are unemployed through no fault of their own. Let us make sure that objective is attained.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. member for Lincoln (Mr. Mackasey) may I deal with the late show this evening.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Central Nova (Mr. MacKay)—Administration of Justice—Dealing with grievances of RCMP officers; the hon. member for Burlington (Mr. Kempling)—Air Canada—Service out of Hamilton—Effect on Nordair; the hon. member for Mission-Port Moody (Mr. Rose)—Fisheries—Closing of Fraser River, B.C. fishery—Request for tabling terms of reference.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, my first words are to congratulate the present Minister of Manpower and Immigration (Mr. Axworthy) for the very excellent work he has done since he assumed office and this session commenced. I want to express my satisfaction too on the choice by the Prime Minister (Mr. Trudeau) for this particular portfolio. This ministry requires particular dedication on the part of the individual. I say that not necessarily or exclusively because I was a former minister of manpower—and there are many in the House—but because I know the pressures on the minister of manpower, and I know they will grow over the next six months or year or two as we move into a recession, hopefully short but obviously very painful.

This portfolio requires a minister whose basic philosophy is such that he can stand up to the pressures, not only from outside the government but from within. I am sure from my many, many years of friendship with the minister, which goes back over long decades, that he has those qualities and qualifications. I am sure he will take any of the remarks I make today in that light. I might be able to warn him of some of the pitfalls that are ahead of him.

Last evening I was sipping a glass of good Canadian wine from the region of Lincoln in honour of the birthday of the hon. member for Winnipeg North Centre (Mr. Knowles) and, incidentally, the celebration of my eighteenth year in this House. It is not quite 18 years. Let me put it another way; it was 18 years ago yesterday that I was first elected to the House. That is, of course, true of the Minister of Industry, Trade and Commerce (Mr. Gray), but we are among a diminishing group in this House. I am not suggesting we are getting older, but perhaps the standards have changed in the House and we are not going after quality as much as we did in 1962.

What I thought I would do last night was review, if I could, the impact of the unemployment insurance plan at the end of the decade. In a way, that was inspired by some of the remarks of the hon. member for Calgary West (Mr. Hawkes) who mentioned philosophy. Legislation, concepts and principles must be based on a clear philosophy. When I looked at the filing cabinets of documents gathered before the 1971 amendments to the Unemployment Insurance Act and gathered since, supplemented by writings, documents and debates in forums on economic views as to the impact of the plan, I decided to be philosophical for half an hour when talking about unemployment insurance.

The hon. member for Bow River (Mr. Taylor) reflected in a way the philosophy behind the original act brought into this House in 1941 or 1942. Members know that in the hungry thirties, to which the hon. gentleman alluded and so graphically described as the ten lost years, there was no such thing as unemployment insurance. That was a shame because of the degradation to the worker and the farmer, those people out of work for no reason of their own. Many farmers were victims of climatic conditions. It is amazing how people survived during that period of time, but some did not and riots broke out.

In 1942 the provinces ceased to concern themselves about their provincial jurisdiction or their rights and gladly ceded jurisdiction in this area to the federal government. The legislation reflected the philosophy of the 1930s, and it prodded very gently into the field of social policy and social reform. There was still that old biblical concept, despite the 1930s, that there was something wrong about going on unemployment insurance, even if you were unemployed through no reason of your own. I was not too sure, as I reviewed some of the documents, editorials and writings last night, that we have shed the principle that somehow it is immoral, illegal or wrong to accept unemployment insurance or even welfare.

The legislation in 1942 was based on philosophy reflecting the 1930s. The legislation of 1971 attempted to reflect the problems of the future, the problems of the seventies. Legislators did not dare predict the problems or the challenges of the 1980s. I welcome the minister's determination to come in with perhaps a new white paper, based hopefully on the same philosophy but not necessarily so.

● (1640)

I hope that the task force which the minister will set up has the courage to stand up to vested interests which still believe that there is some merit in a free enterprise system in having a large pool of unemployed in order to keep wages down. I hope that the task force will portray the right degree of cynicism when that particular lobby approaches it, as it did members of this House in 1971.

Before I get down to some fundamentals, the legislation of 1971, for which I received some credit, in this House, was not my legislation; I would like to say that it was. It was a piece of legislation which reflected the collective views of the members of all parties. It was a piece of legislation which was adopted unanimously in this House and which reflected very intense

areas of the white paper, as hon. members will know. I think it was the hon. member for Scarborough West (Mr. Weatherhead) who was the chairman of that committee.

I like to think that we brought in a good piece of legislation in 1971 which is based on insurance principles. I would like to expound a little on that and remind the minister of it, because he mentions in his document the need to get back to insurance principles. The old act reflected sound, basic insurance principles. Its formula was simplistic. The government paid 20 per cent of the cost, the employees paid 40 per cent and the employers paid 40 per cent, and benefits were perhaps 40 per cent, 45 per cent or 50 per cent of the average wage in the country. Administrative costs were shared. However, when the depression hit in the 1950s, the leader of the government of the day, the Hon. John Diefenbaker, wisely introduced such things as seasonal benefits which, however, had no rhyme or reason in any plan related to insurance. So the members of the House decided in 1971 to get down to fundamentals and broad insurance principles.

The hon. member for Bow River talked about the unemployment insurance fund and the need to accumulate money. I feel a little guilty about the matter because in 1971, in retrospect, I should have done what is commonly done today, and that is spend $2 million or $3 million to explain to the people a little more fully the intricacies of unemployment insurance.

For instance, there is no such thing as an unemployment insurance fund; that disappeared from the act. What there is is a commitment by the employers and employees of Canada to meet the financial requirements of all the obligations which were defined as theirs in 1971. There was an interesting proposal that the government, in turn, would be exclusively responsible for the obligations which the act designated as theirs. So in essence, if we are going to use the word "fund" for explanatory reasons, unemployment insurance is the financial obligations of two groups, the employers and employees, one group and the government, the other.

Members who are really interested in the subject might look at sections 62 and 63 of the act, which were referred to, I think, by an hon. member opposite. They will find something that should please them, as well as economists and people who believe in insurance principles. Succinctly put, it says that the financial obligations of employers and employees should be met entirely by the premiums charged to the employees and employers. If at the end of the calendar year this obligation has not been met—the government has had to advance funds—the law states specifically that the premiums must be raised to meet that deficit.

The act also states that if during the year the contributions are beyond what was needed to meet the obligations, it should be reflected the following year by a decrease in premiums. I think it was the hon. member for Beaches (Mr. Young) who made a very interesting contribution yesterday which, stripped of its partisan paragraphs, might be required reading for people who wish to evaluate what happened during the 1970s to our plan.

I am not great at mathematics, but even with a 10 per cent rate of unemployment, which we do not have in this country, and because we made the plan universal and as broadly based as possible—including even the armed forces, school teachers, public servants and millionaires—it is obvious that nine workers and the employer should be able adequately to carry the financial burden of one person in the work force who is unemployed through no fault of his or her own.

Of course, that has been the case. But unnoticed by the press, by hon. members and perhaps also by the Canadian Labour Congress, which has been notorious for its silence over the past ten years in protecting this plan, and despite the abuse referred to at times—and I will not get sidetracked on that issue at the moment—every single year since perhaps the first year the employer-employees contributions have been more than sufficient to meet their particular obligation, regardless of what members in this House might think of maternity benefits and sickness benefits. The cost of maternity and sickness benefits are borne exclusively by the employers and employees of this country. There is no financial input by the government at all, and it is almost theoretically none of its business but theirs.

However, I would like to turn to the other chapter, and it is a significant one. What happened to the financial obligations of the government? How well did the government meet its obligations? Its obligations were based on a prediction by the Department of Finance that the average level of unemployment in Canada in the 1970s would be 4 per cent. I am afraid there is very little resemblance between the prediction and the reality of that prediction.

I am not being contemptuous of the department's anticipation of the future. Few people, I think, were able to anticipate the effect of technology. For instance, there is the situation at the Montreal waterfront where the work force has been reduced from 3,000 people to 1,300 people today with about three times the productivity in volume. As desirable and welcome as it should be in an industrialized society, nevertheless 1,700 people must be looked after.

There is also the proper and welcome influx of women into the work force. There was a tremendous growth, perhaps the largest in the western world, by our work force through the influx of young people reflecting the post-war baby boom. Regardless of the fact that Canada was able to generate more jobs in the 1970s than any country in the world, we still did not contain unemployment. The cold, sobering fact is that too many Canadians were out of work.

More Canadians will be out of work if fiscal and monetary policy continues to be concerned more with inflation than with unemployment. The tragedy of this fact is that the Department of Finance did not appreciate or want to accept that the unemployed people of this country were sometimes unemployed as a result of policies of the government. They were not to be stigmatized, but the benefits they received would be in recognition of the fact that they are unemployed through no fault of their own, but by international forces, if you like. Instead, through the 1970s the unemployed continued to be

stigmatized by Canadian society. That is deplorable, Mr. Speaker.

● (1650)

The emphasis on abuse is frankly degrading. When we discuss medicare in this House, as we will, I hope we will not dwell for hours and days on end on the doctors who rip off medicare—and there are a few. When we discuss automobile insurance surely we will not spend days and weeks discussing the dishonest garageman or repairman who helps pad a dishonest citizen's repair bill. Of course, there are people who abuse the unemployment insurance system.

What irks me is the fact that statistics are available now, in 1980, based on the experience with unemployment insurance in the 1970s, but not many people have bothered to study them. Where is the great Canadian Labour Congress that the NDP endorsed? Why was their voice so silent in the 1970s about protecting unemployment insurance? Was it because they represent the 30 per cent to 33 per cent of the work force who have job security and therefore are not prepared to do something about their social conscience? Did they worry about the unemployed person who is not unionized and has to work for substandard wages? I have seen no evidence of that as one who has observed the Unemployment Insurance Act. There has not been a decent voice in the Congress on this subject since Andy Andras departed.

I have looked at those statistics, however, and I am particularly interested in the impact of the eight-week eligibility feature. I am particularly interested today because most of the hon. members who have spoken in this House have made rather emotional and logical pleas for something to be done about the 10-14 week attachment requirement to be eligible for unemployment insurance benefits.

The hon. member for York-Sunbury (Mr. Howie), who is a former privy councillor and a very sensitive human being, made a strong plea yesterday that New Brunswick be considered an area where ten weeks be the criterion for eligibility for unemployment insurance. Mr. Speaker, in the sixties it was 30 weeks, over a two-year period. We brought in eight weeks as the benchmark in 1971. When I checked the figures in 1974, the particular group of people that qualified for unemployment insurance after only eight weeks was the one group that remained on unemployment insurance for the shortest period of time. They were prepared to find work, to leave unemployment insurance after eight, nine, ten or 12 weeks, rather than stay as they perhaps could have, by using a little deceit, for the full term. The full term could have been almost a year in regions of high unemployment. That they did not is testimony to their honesty.

In the seventies, eight weeks was regarded as something terrible and a series of amendments was brought in to the Unemployment Insurance Act which in effect meant giving in to those reactionaries who thought that way. The period was increased to 20 weeks, but no, that was too much. Then it was reduced to 14 and now it is ten to 14 weeks. We are coming very close to the original concept of eight weeks.

I want to speak now of something that bothers me, Mr. Speaker, and I think the minister should be aware of it. This is not based on hearsay but on facts and years of digging into statistics and reading documents. Several people are engaged in writing a document on unemployment insurance and just last week one of them borrowed some of my documents.

When the bill was brought in in 1971, there was within months a concerted effort in the country—in the editorial pages and other places—to stress the alleged abuse of the system as a result of the eight-week period. Mr. Speaker, the French people have a saying, "*Qui profite du crime*?" which means, "who benefits by the crime?" I have to say that a certain group in the civil service, concerned that they were unable to justify their 4 per cent prediction and hard pressed to find the money needed to offset the government's commitment, felt that a series of amendments was needed to shift the financial obligation for some of the provisions in the Unemployment Insurance Act from the government. They were not honest enough to admit they had miscalculated and had not anticipated, because of reasons beyond their control, a long period of 5 per cent, 6 per cent, 7 per cent or 8 per cent unemployment in the country.

It would have been more refreshing if they had admitted this and let Parliament bite the bullet and make the necessary changes. Instead, they set out to condition the people first by telling them that the changes were needed because of abuse of the system. When people became really upset about this alleged abuse, then they brought in the logical amendment to shift certain financial obligations from the government to the employer-employee. This probably cost $1 billion in the decade of the seventies. But because of the sound economic concept of weekly premiums and universality of the work force, the employers and employees were able to absorb the transfer of these financial obligations to them from the government.

It was difficult for me to accept the fact that in preparing the groundwork for their amendments they had to stigmatize hundreds of thousands of people by suggesting they would prefer to draw unemployment insurance benefits rather than work. That is wrong, Mr. Speaker, and I am glad hon. members opposite have made that point so eloquently in the last two days. I would warn the minister to be careful over the next few years, because within weeks of the passage of our bill those many years ago there was a determination to destroy its very basic principle.

Just a month ago I spoke to a former employee of the Unemployment Insurance Commission. He reminded me of the party that took place when the bill was passed. Civil servants are hardworking and dedicated and it was the usual sort of thing. In the jubilance of that evening I had remarked to my staff that I was not sure the act would be intact by 1980. I was not sure if the bureaucrats were prepared to stand by the predictions and I was not sure if the government was prepared to assume its obligations for its fiscal and monetary policy. I was not sure if the government was that dedicated to controlling unemployment beyond 4 per cent or if it was prepared to

shoulder the cost of bringing unemployment down to that level by stimulating the economy.

Some people may think that I am overreacting but I am not, Mr. Speaker. I have here a research paper which is extremely objective and which explains the various amendments to the act since 1971. I shall not go through them all but there are a few that I should like to comment upon. Dealing with the changes which came into effect in 1976, the document defines the purpose as—

—to provide a better balance in the sharing of costs among the federal government, employers and employees.

That is a euphemism for saying that more of the costs will be shifted from the government to the employer-employee.

The document also deals with some of the changes in the bill that altered the eligibility period from eight weeks to ten to fourteen and with the cost saving, regardless of the impact on the work force and regardless of the fact that there was no evidence that the eight weeks resulted in any more abuse than 19, 20, ten or 14 weeks. On page 12 of the document there appears the following statement:

● (1700)

The amendment was made because it was felt that the former eight-week entrance requirement provided an all too readily financial inducement reinforcing unstable work patterns.

When one asked our economist about this, the answer given was that there was no evidence about unstable work patterns. That evidence is available—

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member, but the time has arrived for private members' hour.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

DECENTRALIZATION OF DEPARTMENT OF VETERANS AFFAIRS

Mr. Tom Cossitt (Leeds-Grenville) moved:

That an order of the House do issue for copies of all correspondence, notes, minutes of meetings and other communications relating to the decentralization of the Department of Veterans Affairs to the province of Prince Edward Island.

He said: Mr. Speaker, the government has refused to produce to Parliament all documents, correspondence and details of negotiations with regard to the movement of the Department of Veterans Affairs to Prince Edward Island. This is a most regrettable decision considered against the background facts, namely, that the thousands of members of the Canadian Legion from coast to coast have asked that the department be left in Ottawa. In addition, no one can quite accept the necessity of doing something that will probably, as estimated, cost Canadian taxpayers anywhere between $30 million and $40 million and in the long run will give nothing to Prince Edward Island.

First of all, why has the government refused these documents? We were told a few days ago that it would be too costly to photocopy the documents. In my view, this is nonsense. It seems to be a convenient way of answering, a ploy which this government has often used in the past to shield many matters; namely, it is too costly to copy.

The simple, plain truth is that publication of such documents would, in my view, reveal that the whole thing in the first place was a crass political manoeuvre or somewhat of a political pay-off. the Minister of Veterans Affairs (Mr. MacDonald) lived in Prince Edward Island, so what better way to bolster his political fortunes than to move the department from Ottawa all the way there? This of course, will result in a decrease in service to veterans of Canada and a high cost to the taxpayers, but such factors were apparently quite incidental to the political facts of life.

I must say with regret that my own party, while in office, did not reverse this perverse decision, but then, I can only offer the excuse, and it is not a very strong one, that we did not have much time. Now the present administration carries on in the same blind, stupid way, a fact that would be clearly revealed by making public the documents which the government is still keeping hidden from public view.

I admit that the government has condescendingly said that I could look at the documents personally if I wished to do so, but I do not think that answered the question. I am not the hundreds of thousands of members of the Canadian Legion from coast to coast or the millions of taxpayers in this country who have a right to know. I must, in all conscience, take the stand that I am talking at this time, namely that it is a matter of principle, and one should not slavishly follow something that one believes is utterly and completely wrong.

I can find every reason to be against the move to Prince Edward Island and not a single reason to be in favour. Let me deal with the views of the Royal Canadian Legion on this topic. One of the complaints, in my opinion a very valid one indeed, made by the veterans of Canada is the length of time that it presently takes for something to be dealt with by the Department of Veterans Affairs. The processing of a pension seems to average anywhere from 12 to 18 months, and if a veteran wishes to appeal a decision, the appeal can last up to as long as two years or more. I have known cases in my own constituency, and I am sure other members have faced somewhat similar situations, where veterans have died between the time they first applied and the time the decision was made. This is an intolerable and unacceptable situation. How does the government believe that by moving things to Prince Edward Island and leaving the minister with a small, skeleton staff here in Ottawa is going to improve the situation?

I would like to read into the record a few excerpts from some of the letters that I have received from various branches of the Royal Canadian Legion. The following is an excerpt from a letter received from G. L. Marr, secretary of branch No. 484, Royal Canadian Legion, Mallorytown, Ontario. This letter reads in part:

The Mallorytown branch is most perturbed at the proposed move of the Veterans Affairs Department to Prince Edward Island. It is understood that only a small portion of the present staff have agreed to such a move. This can only lead to reduced efficiency in a department which has obvious room for improvement as it stands now.

Next is a letter signed by Louis Mitchell, president of branch No. 231 of the Royal Canadian Legion, known as the Rideau Lakes branch. I quote:

Since outstanding claims are taking far too long in Ottawa, why the move to Charlottetown where it is admitted it will take even longer?

Further on in the same letter, Mr. Mitchell says:

Since government is seeking ways to curtail spending and save money by any means possible, what does the move to Charlottetown do for the economy?

Then Mr. Mitchell says this:

Veterans are all reaching the age where their needs will flood the department. In view of this, what preparations are being made to handle this?

Here is further quotation from the president and secretary of the Royal Canadian Legion in Delta, Ontario, namely, Mr. Harry Vollick and Mr. Peter Bredyk, who say:

We seek your assistance in having the proposed move of the Department of Veterans Affairs, and more particularly the Canadian Pension Commission, to Prince Edward Island, cancelled in the best interests of veterans.

Legion branch No. 96, in my home city of Brockville, expressed it this way in a letter from Henry Elliott, president:

The Brockville branch No. 96 . . . with 1,082 members we have by unanimous consent at a general meeting directed the writer to register opposition to the proposed move of the Department of Veterans Affairs and more particularly the Canadian Pension Commission from Ottawa to Prince Edward Island.

One could go on at length, as I am sure every member could, and quote from letters which they have received. I have one final quotation which comes from a letter written by the dominion president of the Royal Canadian Legion. He says:

We are in sympathy with the plan to create jobs in Prince Edward Island but not at the expense of disabled war veterans.

Obviously the purpose of the Department of Veterans Affairs is to be of service to the veterans. If this is not being fully accomplished now, and it will only deteriorate by moving the department to Prince Edward Island, then other than for political reasons why should a move take place? This seems to be a case of nobody wants anything done, except the politicians.

It is reported, and I have no reason to believe that the figures are inaccurate, that the staff of the Department of Veterans Affairs in Ottawa is highly opposed to the move. It would uproot their lives and force them to emigrate to a far part of the country from homes in which, in many cases, individuals were born and lived for many years. It has been stated that not any more than 5 per cent of the present employees of the Department of Veterans Affairs are actually willing to move.

By releasing the papers and documents that I have requested, perhaps we could find out how the government feels the move would benefit Prince Edward Island itself. The government has trumpeted the supposed fact that it will benefit the economy of the island by adding another industry, so to speak. It is an unfortunate fact of life that the number of veterans is decreasing every year as time passes, from the time of the First and Second World Wars and the Korean war. Unless another war occurs, which we all hope and pray does not, there will simply be no veterans left. In short, we are giving Prince Edward Island a white elephant at the expense of $30 million to $40 million.

● (1710)

I think all MPs are in favour of a certain diversification of government services to various parts of the country, but not for political purposes, and certainly not by moving a department that will not be of a more permanent value to the area to which it is going.

Perhaps the making public of all the behind-the-scenes documents that exist would reveal the monstrously unnecessary expense. Already the Department of Veterans Affairs is well housed here in Ottawa, but nevertheless the government is prepared to move it to a far-away place and spend millions of dollars on the move and on construction work to build accommodation at that place.

The ridiculous situation exists that right across the street from the veterans affairs department here in Ottawa is the National Archives. They say they need more space, so the federal government is going to Hull and spending $40 million on new buildings while at the same time vacating the DVA building here. It will be left empty when it moves to the province of Prince Edward Island. If this inane move goes through, surely the National Archives could enlarge by simply moving across Wellington Street. It would save the taxpayers a great deal of money.

It seems that the government continually indulges in the spending of money on schemes that create unneeded, brand-new buildings, leaves other buildings unoccupied, and in addition vacates many rented premises here in the city of Ottawa with long-term rents when the government is obligated to pay those rents for many years.

About the only certain thing concerning this move of DVA will be that the government will have to lease more telephone lines between here and Prince Edward Island. After all, there is a skeleton staff in the ministry here and nothing else. By making this move, I suppose Bell Canada will benefit; but that in itself would be a pretty foolish reason for the move.

I have heard this matter talked about by many members of this House privately in conversation. I think almost everybody has reservations, at least to some extent, about this situation, why it is being done and whether it should be carried on.

One of the excuses given by the government for not making public the various papers that I requested was that it would involve obtaining the permission of the government of Prince Edward Island. This may well be so in regard to some of the

material, but I can only reply with the question: Why has the Government of Canada not asked for such permission from the government of Prince Edward Island? The inevitable answer is that the Government of Canada just does not want these papers to become public because it would probably reveal a staggering tale of political patronage that would not be pleasant for the Canadian people to see.

It seems most strange to me that a government which speaks of increasing freedom of information continually gives examples of restricting information, and this is certainly the case when the government turns down the release of the various documents on this particular matter. One can only conclude that the present administration in actual fact only pays lip service to the principle of freedom of information, and if it were not so, the Minister of Veterans Affairs or someone speaking on his behalf would rise in this House today and say that the government has talked this over, has changed its mind and will release the necessary papers.

Yet another factor that seems to have received practically no consideration is the fact that this country has two official languages. By law, Canadians must be served in the language of their choice. It is obvious that French is not the language of Prince Edward Island. Therefore, to stay within the law created by the government, we would obviously have to import to Prince Edward Island bilingual people to render the services that would be needed by Canadians in provinces such as Quebec and certain other parts of Canada. What benefit is that to decreasing unemployment in Prince Edward Island?

I have already touched several times on what is obvious political motivation behind the move to Prince Edward Island and for a moment I would like to enlarge on this. It seems to me to be utterly incredible that a government is willing to put first a political favour to the Minister of Veterans Affairs rather than to put first the veterans of this country who suffer everything from shattered bodies, blindness, mental anguish and, in so many cases, permanent disablements because they stood up for Canada when they were needed. For it to come down at this time to a decision based on the political welfare of a few individuals rather than on the welfare of those who need and deserve the best of service and consideration constitutes an unbelievable chapter in the history of political manipulation.

If this government were truly interested, as it says it is, in promoting the economy of Prince Edward Island and other sections of the country, then why does it not do so by coming up with policies that will assist various provinces, rather than policies that will assist various Liberal cabinet ministers?

Without much difficulty, this government put up millions and millions to bail out the Chrysler Corporation and just recently more millions of dollars to Michelin Tire in a declared attempt to help the unemployment situation of this country. In the case of the Department of Veterans Affairs, they would throw $30 million to $40 million down the drain that in the long run will not be of help to anyone.

I believe it is essential for the government to produce the papers for public view in regard to the Prince Edward Island move, and I am sure it would help result in putting an end to any further—I hate to use the word—bribery to other sections of the country to assist members of the Liberal cabinet who are either in danger of electoral defeat or who have some foolish notion that they deserve a personal favour from the government for the services they have rendered here in Ottawa.

I have touched on what I believe to be the main reasons that the Department of Veterans Affairs should not be moved to Prince Edward Island and why the government should make public the various documents and correspondence which led to this most unfortunate decision. In summing up, I can only say that there is no excuse for spending millions and millions of taxpayers' dollars without a beneficial purpose to the taxpayer. There is no point creating a situation where service to the veterans of Canada is even worse than it is now, and above all, there is no point whatsoever in this House condoning the shuffling around of government departments, not on the basis of sound judgment but entirely on the basis of resulting benefits for members of the Prime Minister's entourage of cabinet colleagues.

I hope the government will see fit to reverse its decision and allow these documents to be made public so that we can all judge for ourselves. If I am wrong in what I have said, and others are wrong in what they believe—that this was simply a political move in the first place—I am sure we will all readily admit it. However, as yet I have not heard anything by the government to indicate in any way whatsoever that they have valid, justifiable reasons, other than political reasons, for the move that was announced several years ago and is still being carried on today, probably soon unfortunately to reach the point of no return. I hope the government will stop before it goes that far.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I support the move to Charlottetown.

I would like to take a few moments now to speak about some of the benefits and particularly some of our preparations for the relocation of the headquarters of veterans affairs to Charlottetown. Every effort has been made at every stage to make this relocation as smooth as possible. The planning has been designed to accomplish the move to Charlottetown without affecting the quality of service and at the same time avoiding serious disruptive effects on the people of Charlottetown.

The relocation is already well under way. Plans call for a phased relocation spread out over several years. There are now 50 veterans affairs employees operating in Charlottetown. Included in this group are 11 war veterans allowance board employees who will soon be joined by the other board employees. This is a milestone in the relocation program. This board will be the first complete unit relocated to the island. By September, 1980 a total of 160 jobs will have relocated to Charlottetown and an additional 30 will have relocated by September, 1981. The remainder of the portfolio will relocate in 1982-83.

● (1720)

This plan for a phased move to Charlottetown was developed to ensure that service provided to the veterans and their dependants would not suffer. A phased move is the most practical method. It guarantees the continuity and quality of our service to our veterans and it spreads out the effects of the move on Charlottetown over a longer period of time. The community can absorb significant numbers of new residents if given enough time to increase the supply of housing and community facilities available.

Numerous studies have been undertaken into such areas as communication facilities, housing, education, industry, labour markets and the social and economic impact of the relocation. Veterans affairs is now using these results to everyone's benefit. They can anticipate situations, they can gain insight into the possible effects of the relocation and they can assess what is needed and what is available before proceeding in any given direction.

Several programs have been established within the Department of the Veterans Affairs to monitor and facilitate the relocation. There are key positions in which it is imperative to have a fully trained person upon relocation to Charlottetown. These positions have been identified and are now being staffed in Ottawa by employees willing to move to Prince Edward Island. In fact, only recently the department appointed a new assistant deputy minister of finance, personnel and administration, a new assistant deputy minister of veterans services and a new director of financial management, all of whom will be moving to the island in 1982-83.

Another fairly recent appointment, that of director of policy, planning and evaluation, is being double-banked and the newly-appointed director will be working very closely with his Ottawa counterpart until he moves to the island to assume his duties there on August 1, 1980.

A comprehensive training package provides the necessary training to new employees before they assume the full responsibilities of their positions. To assist trainees in new positions, all systems and procedures are being documented to ensure that the most up-to-date manuals are used by these employees while training.

All these new employees and their families will all have a certain impact on Charlottetown, its economy, its educational, cultural and social facilities. These employees have diverse backgrounds, age, education, family status. They will comprise a variety of occupations—doctors, lawyers, senior administrators, accountants, secretaries, clerical workers, finance officers, personnel officers. These people will bring with them not only their work expertise but a variety of interests.

Veterans affairs is determined that the last thing that should happen is that the relocation should have a disruptive effect on the social fabric of the city or the island or that the present way of life be affected to any great degree. The relocation could potentially add another thousand residents to Charlottetown—an immigration of professional people moving with their jobs and families, people who will be taking their place in the new community, starting a new life.

A key element to the integration of the Department of Veterans Affairs employees into Charlottetown is communication and information. It is important that the people of Charlottetown and Prince Edward Island know something about the type of people who are considering moving to their community. Equally important, however, is the need on the part of our employees to be aware of what they can expect to find in Charlottetown—the lifestyle of the island, the type of community they will be moving into, the type of people who will be their neighbours.

In Charlottetown a tri-level co-ordinating group has been established and meets on a regular basis to deal with all matters pertaining to the relocation. This committee has representation from the provincial, municipal and federal governments. Five subcommittees have been formed to deal with such things as housing, education, economic impact, social impact, and the new veterans affairs facility. In particular, great strides have been made in the housing area as a result of the housing subcommittee's attempts to stimulate the housing industry to meet the needs of our employees, while at the same time ensuring that this does not cause a drastic upward trend in housing prices.

In Ottawa all employees have been provided with a comprehensive information package on Charlottetown telling them about the island climate, education, linguistic make-up, housing, health services, cost of living, recreational and commercial facilities, transportation and municipal services. Relocation advisers are available to assist any employees seeking advice on relocation. The portfolio has a relocation resource room where employees have access to Charlottetown newspapers, real estate listings, university and community college calendars, local magazines and other publications provided by groups from Prince Edward Island.

Assistance is also being provided to employees who do not wish to relocate. They can have counselling and information about securing alternate employment within the national capital region. A resource room has also been established specifically for these employees where they can find publications to assist them as prospective job hunters.

In the fall of 1979, DVA held nine days of activities, called "Operation Information", to inform employees of the facilities, services, life on Prince Edward Island and also to provide information on the employment situation in Ottawa and various means of seeking and finding reassignment. "Operation Information" was organized to give all employees information to assist them in their relocation decision and to prepare them for whatever course of action they might choose.

These programs and activities are all intended to make for a smooth transition into Charlottetown for the portfolio and its employees. Certainly with the magnitude of this relocation there will be eventualities which have not been anticipated and problems may develop. But with the support of people in Ottawa and Charlottetown, these problems can be resolved

and DVA will successfully and smoothly relocate in Prince Edward Island.

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I am pleased to speak today of the decentralization of DVA headquarters to Charlottetown, Prince Edward Island. Public servants work for the entire country and must therefore get closer to the realities, the needs and the desires of the various communities they serve. Public servants in Ottawa have been blamed for their so called ignorance, insensitivity and isolation from the rest of Canada. The proposed move, as all others, is aimed at reducing the reason for these accusations and to make the public service more aware of the concerns harboured by the people it serves. Also, the proposed move of the veterans affairs headquarters is extremely important because it corresponds to the wishes of each of the previous governments which have tried to bridge the gap between the levels of economic well being enjoyed in the different areas of the country. The move of DVA headquarters will give Prince Edward Island the economic boost it needs. Also, Charlottetown can provide headquarters with all it needs to continue to give adequate service to Canadian veterans and their dependants.

Charlottetown was chosen because it has administrative support and clerical workers who can easily be trained and assigned to the various divisions of the department and organizations—

● (1730)

[*English*]

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I should like to draw attention to the fact that at the time when I rose a moment ago there was not a quorum in the House. I believe that 20 members are required. At that time there was not a quorum, unless someone rushed in hurriedly since then.

The Acting Speaker (Mr. Blaker): Either the hon. member rises to call a quorum, or he does not. Would he kindly inform the Chair whether he is calling the quorum?

Mr. Cossitt: Yes I am, Mr. Speaker.

The Acting Speaker (Mr. Blaker): May I explain to hon. members that there is a procedure for counting members to see if there is a quorum, and it will take a moment to go through it. If I understand the hon. member for Leeds-Grenville (Mr. Cossitt) correctly, he rises again on a point of order, we hope not the same one.

Mr. Cossitt: Since I raised the quorum call, about four members rushed in on the other side. I think a count should be taken of those who were here at the time the question was raised, not counting those who came in later.

Mr. Lefebvre: Read the orders.

Mr. Hopkins: I would like to bring to the attention of the House the fact that when the hon. member rose on this point of order, I took a count of members in the House and I found that there were in fact 20 members here when he was on his feet the first time.

Mr. Cossitt: No, 18.

Mr. Regan: Let us not quarrel over two.

An hon. Member: Did you count yourself?

Mr. Cossitt: Yes, I counted myself.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has a difficulty. The hon. member for Leeds-Grenville has raised the difficulty himself, that is to say, that at the moment he rose, he himself says, to call the quorum, there was a quorum present.

Mr. Cossitt: No, I did not say that.

The Acting Speaker (Mr. Blaker): If I understood the hon. member correctly, he used some language to say, at the moment he rose, that he was calling the quorum but that at that moment there was not a quorum.

Mr. Cossitt: That is correct. There were 18 members in the House.

The Acting Speaker (Mr. Blaker): Then it is clear that the Chair has a difficulty because the Chair does not have in its possession an electronic *Hansard* which would permit the Chair to do a retroactive count. If the hon. member wishes to call a quorum and to ask, on the basis of good faith, those hon. members who were not present when he called the quorum to retire, then I suppose that perhaps this might be observed. Perhaps those members who were not present when the hon. member called a quorum could remove themselves from the chamber. But the Chair is in no position to ask each individual member whether he was or was not here at the time that a quorum was called.

Mr. Knowles: Mr. Speaker, this is matter which concerns me quite often. Many a time in the last month or so I have been tempted to raise the same point of order. I think that our attendance should be a lot better than it is. But, in all fairness, I think that the rules should be noted. If the rule is noted, then, I am afraid, you do not have to ask members whether they were here at the time the point was raised. Citation 209, on page 73 of Beauchesne's fifth edition reads as follows:

> While the House is being counted the doors remain open and members can come in during the whole time occupied by the counting.

So if there are 20 members here now, all I can say to my friend, the hon. member for Leeds-Grenville, (Mr. Cossitt) is, try again some time when there are only 12 or 15 members here.

Some hon. Members: Hear, hear!

Mr. Cossitt: May I then withdraw the quorum call. I realize that the hon. member for London East (Mr. Turner), the Minister of Labour (Mr. Regan), the President of the Privy Council (Mr. Pinard), and numerous others, darted in to their seats after I called quorum. But according to what our learned friend, the member for Winnipeg North Centre (Mr. Knowles), who is an authority on the House rules, has said, they are permitted to do that. So, of course, I will withdraw my quorum call. I was simply trying to point out that often there are very few members in attendance in the House. Here comes another gentleman.

The Acting Speaker (Mr. Blaker): I do not know whether it is necessary to recognize the President of the Privy Council (Mr. Pinard) to pursue the matter. I have checked Beauchesne and I find that the hon. member for Winnipeg North Centre (Mr. Knowles) appears to be correct. My recollection is that the last time a quorum was called in the House under similar circumstances the Chair called on the Assistant Clerk to identify every member who was present at the time when the Chair called for that count to be made. The Chair cannot check the situation retroactively. I would then become a judge as to whether each and every individual member were here. I would have to start a count now through the offices of the Assistant Clerk. Unless there are other members, or the President of the Privy Council who a moment ago seemed to be rising on a point of order, wishing to speak, the advice of the hon. member for Winnipeg North Centre is accepted.

Mr. Knowles: There are now 30 members in the House.

The Acting Speaker (Mr. Blaker): At this moment, the Chair sees a quorum.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, may I suggest that Charlottetown can provide headquarters with all it needs to continue to give adequate service to Canadian veterans and their dependants. Charlottetown was chosen because it has administrative support and clerical workers who can easily be trained and assigned to the various divisions of the department and organizations. It has a regional university which will train competent professionals for us and some of its residents are bilingual. Another factor which is essential to the proper operation of a head office with district offices throughout Canada is an advanced network of communications and transport, something Charlottetown has. Moreover, employees will be able to rent adequate lodgings at reasonable prices on the island, and should the need arise, others may be built.

The decentralization of the Department of Veterans Affairs brings many benefits to the city.

The strategic location at the limit of Charlottetown's commercial zone will bring an economic development whose need is strongly felt and will revitalize the retail shops in the area. The new headquarters building will improve the immediate vicinity—

[*English*]

An hon. Member: Read the rules.

An hon. Member: I don't need to read them, I know them.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): Order, please. The point of order which was raised on the quorum is, no doubt, of interest to all members. But if they want to discuss it they should rise on a point of order and seek the attention of the Chair. Otherwise, as a courtesy to the hon. member speaking, we should allow him to complete his remarks without interruptions.

[*Translation*]

I must say that it is the hon. member for Chicoutimi (Mr. Dionne) who has the floor.

Mr. Dionne (Chicoutimi): Thank you again, Mr. Speaker.

The new head office building will enhance the immediate area and the veterans affairs project will probably generate other development initiatives from the private sector. Some time ago, veterans affairs announced the plan to move gradually its head office staff to Charlottetown. Under that plan, all veterans affairs head office employees should be relocated in Charlottetown by 1983.

When the decision to move was announced, the Minister of Veterans Affairs guaranteed that the quality of services would not be reduced and that veterans would continue to receive before, during and after the move, the services of superior quality with which they have always been provided. The minister repeated that he was standing by that commitment and those same guarantees. The task force on the relocation of veterans affairs is responsible for planning and executing the move while at the same time maintaining the present quality of service. Obviously, the planners of the task force are convinced the client service will not be affected in any way during the move because otherwise that relocation would not be going ahead as it is at this time. To make sure the minister's commitment is met, it is important that the veterans affairs head office has a qualified staff to carry out its legislative and administrative mandate. That task will be carried out through the relocation of certain employees and the special training programs that have been put together to train the new employees replacing those who are not moving to Charlottetown.

An important question keeps coming back about the move, namely, what will be the social impact of this proposed move on the people of Charlottetown and Prince Edward Island? The move to Charlottetown will result in the relocation of a rather large number of employees and their families. Those civil servants will make new friends, join associations, send their kids to school, and their spouses will look for jobs. In other words, they will become part of the community and will start a new life.

Studies have been undertaken by the Department of Veterans Affairs itself, or on its behalf, to determine the effects of the move. They dealt with such things as communication services, housing, education, industry and the labour market on the island; in other words, on all the social aspects of the move. Because of these studies, we were able to foresee various situations and better determine the impact of the move and the services to be offered or already offered before committing ourselves in any direction. However, in the final analysis, the success and validity of these studies will be confirmed only when the move is completed. I believe that I should now explain the basic plan for the move. The Department of Veterans Affairs is planning to make the move over a certain period which is now expected to last from two to three years.

A small first group and a small operational unit are now installed on the island. Another group will move this summer, which will raise the total number of positions to 160 by September. Moreover, 30 positions will be transferred in September, 1981, and the other positions will follow over the years 1982 and 1983. Before closing, I wish to add that a central group will remain in Ottawa to help the minister in his work and to fulfil directly their responsibilities toward those people or groups which can be served only by the office of the minister. I therefore believe, Mr. Speaker, that this move of DVA headquarters to Charlottetown must be considered as a great step toward providing equal opportunities for all Canadians. This decision was not cancelled by the former government, not because it did not have time to do so, but because this decision was the best that could be made.

I am convinced that the veterans will be very well served and that the grievances mentioned by the hon. member for Leeds-Grenville (Mr. Cossitt) are unfounded. Maximum use will be made of modern communication methods, and not only will the move to Charlottetown of the main office of veterans affairs be a great step toward providing equal opportunities for all Canadians, but it will also serve the interests of the veterans, and not certain political interests, as some have suggested.

● (1740)

[*English*]

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, first of all I remind the House in reference to a remark made earlier that no money has been made available to Chrysler; only loan guarantees have been offered, which is quite another thing.

Because I believe a number of government offices can and should be moved to other parts of Canada, I should like to speak today on the subject of the relocation of veterans affairs headquarters to Prince Edward Island, and in particular the economic impact of this relocation on Charlottetown. The jobs moving from Ottawa to Charlottetown are grouped into a small number of independent agencies and programs, each with different but related and interlocking functions, and all working to serve the veteran clintele. At this time I intend to deal with questions such as: what will be the economic impact of the relocation of this head office on Charlottetown; will there be a notable increase in demand for goods and services; what will be the effects from the demands of the households moving to Charlottetown; what will be the effects from the demands of this department which is going to Charlottetown?

The economic effects will be felt over two distinct periods in addition to the initial arrival of employees. There is the limited period of the construction phase, and the operating phase which will be continuous for as long as anyone can project. The economic effects in each phase will be both direct and indirect and will be the result of the demands of both the employees and their households and of the portfolio headquarters office for services and goods on the island. For the construction phase of the relocation, studies indicate that the direct impact will be in the creation of approximately 300 jobs. It is estimated that these 300 jobs will receive in the neighbourhood of $5 million in wages and salaries for the duration of the construction period.

The total construction bill for the new veterans affairs facility is estimated at approximately $15 million. For the purposes of studying the result of this expenditure on the economy of the island, the expenditures were allocated over a three-year period: $2.5 million to design and prepare the site in the first year, $10 million to the second, and $2.5 million to the third. At the present time these expenditures are allocated to 1981, 1982, and 1983 budget years respectively. The spread of retail purchasing for construction over the three years is estimated at about $184,000 for 1981, about $737,000 for 1982, and $184,000 for 1983.

Of course the construction phase is a one-time shot in the arm for the construction industry and related businesses because it will last only over the period related to the construction of the new building. However, what is more significant is for us to gauge and to prepare for the long-term, direct and indirect economic result of the operating phase of veterans affairs on the economy of Prince Edward Island and Charlottetown in particular and the effects created by the demands of the new households and the newly situated head office. Again, the direct consequence is the number of new jobs created by this phase of the relocation for which islanders will be able to compete. These jobs cover the full range of positions in the organization, from the most senior decision-making officials to service staff.

● (1750)

Some of the jobs to be filled in the veterans affairs headquarters will be filled after relocation has taken place, after the job has moved to the island. Training will take place in Charlottetown.

All key positions will be staffed before the job moves from Ottawa, and the successful candidate for the job will be trained in Ottawa.

Studies have shown that the number of people in the labour force on the island and throughout the Atlantic provinces in

jobs similar to those at veterans affairs is quite large in relation to the anticipated demands for new staff at the headquarters. We must not forget that there is a significant number of federal public servants already employed in the Atlantic region in classifications similar to those supporting the veterans affairs headquarters operation. It is likely that many of these people will be interested in transferring to veterans affairs because of the senior positions which may become available within the portfolio, or perhaps just a desire for a change in employment.

There is also a substantial number of new entrants to the labour force on the island being generated by the various educational institutions, and the salaries and the promotional opportunities offered by veterans affairs as part of the federal civil service will attract many of these graduates.

It has been found from the experience of other relocating federal departments that 40 per cent to 50 per cent of the personnel recruited after relocation were working somewhere else at the time they were hired. This has been especially true among the senior classifications where the draw will undoubtedly be on the other government departments in the region.

Despite this inducement on the market of the already employed, studies also indicate there is no lack of qualified personnel available to take up any of the vacant or vacated positions in veterans affairs headquarters or elsewhere in similar positions on the island. To give one example, in the secretarial category, the annual outflow of trained persons far exceeds the anticipated veterans affairs headquarters requirements.

Once the operating phase is under way, there will be the indirect impact of the veterans affairs employee expenditures which will create employment and generate new income. The veterans affairs annual wage bill which will be paid on the island is estimated at approximately $14 million. Statistics show that around 71 per cent of wages is spent on consumer goods and services. Therefore it is projected that out of the veterans affairs wage bill, the sum of about $10 million will be spent on various commodities every year, and presumably much of this will be spent on the island. The impact of this spending, it is estimated, will be the creation of approximately 250 new jobs over and above those new jobs within veterans affairs headquarters. In addition it is expected that the total indirect income generated will be in the area of $2.8 million a year.

These figures can be broken down to indicate roughly where and in what proportion it will be spent. Food will take about 25 per cent of the total, creating approximately 90 jobs and generating about $900,000. Housing will take 31 per cent of the total, creating 34 jobs and generating $575,000 income. Clothing will take 10 per cent, creating 31 jobs and generating $270,000 income. Transportation will take approximately 14 per cent, creating about 40 jobs and generating $350,000 income. Personal and health expenditures will take about 4.6 per cent of the total, creating around 20 jobs and generating about $270,000 income. Recreation and education expenditures will take 6 per cent of the total, creating 22 jobs and generating $260,000 income; and tobacco and alcohol expenditures will take approximately 5.5 per cent of the total, creating about 14 jobs and approximately $132,000 income.

Additional local employment and income are expected to be generated by the ongoing expenditures of the veterans affairs headquarters. It is anticipated that approximately 77 new jobs will be created and that additional income of about $675,000 annually will be created. This is as a result of an expenditure by the head office of about $1.8 million.

In the final analysis, therefore, it is expected that the relocation of veterans affairs headquarters will result in around 1,000 new jobs being added to the island work force, including veterans affairs personnel relocating with their jobs from Ottawa. The dollar figure for additional income created by the move has been estimated by studies as about $15 million per year.

I hope I have covered the subject of the economic impact of the veterans affairs move to Charlottetown in enough detail to give members an understanding of the figures the Department of Veterans Affairs is operating from and using to anticipate any eventuality. In the long run, and under any analysis, I think this House will agree that these facts and figures represent a positive impact on the island.

While I have dealt with the economic implications to Prince Edward Island, I wish to assure this House and our veterans that the need for sensitive service and quality service will not be lost, but rather that the service will be enhanced. Further, this move is another step to benefit the many regions of the country which should be assisted economically to share adequately in the growth of this country we call Canada.

Miss Campbell: On a point of order, Mr. Speaker. I seek the unanimous counsent of the House to revert to presenting reports by standing and special committees.

The Acting Speaker (Mr. Blaker): The hon. member seeks unanimous consent of the House to revert to that stage of the proceedings for the purpose of submitting a committee report. Is that agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

First report of Standing Committee on Fisheries and Forestry—Miss Campbell.

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

Veterans Affairs

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

DECENTRALIZATION OF DEPARTMENT OF VETERANS AFFAIRS

The House resumed consideration of the motion of Mr. Cossitt:

That an order of the House do issue for copies of all correspondence, notes, minutes of meetings and other communications relating to the decentralization of the Department of Veterans Affairs to the province of Prince Edward Island.

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I would like to say a few words on the move to Prince Edward Island, of the headquarters of veterans affairs and especially the economic impact of that move to Charlottetown.

The jobs moved from Ottawa to Charlottetown belong to a small group of independent organizations and programs. Each of these has a different but related and interdependent role, and all serve veterans. I would like to address the following questions: What will be the economic repercussions of the move to Charlottetown? Will there be a significant increase in the demand for goods and services? What will be the impact on demand from the move of families to Charlottetown? What will be the impact on demand from the move of the department to Charlottetown?

Economic repercussions will be felt over two different periods in addition to that of the arrival of employees. There will be first the limited period of the construction phase, then the operating phase which will be permanent as far away as we can anticipate. During each of these two phases, the economic impact will be both direct and indirect, and will derive from the demand for goods and services on the island from employees, their families and the veterans affairs headquarters.

● (1800)

As far as the construction phase of the move is concerned, studies indicate that the direct impact will be the creation of some 300 jobs. It is estimated that these 300 jobs will supply some $500 million in salaries and wages over the construction phase. The total cost of building the new facilities for veterans affairs is estimated at some $15 million, and in order to consider—

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member, but I must do so under the Standing Orders.

[*English*]

Before noticing the clock, I wonder if the Chair might be permitted the observation that the attendance in the House at this moment during private members' hour is certainly more attractive than is often the case. Perhaps the hon. member for Leeds-Grenville (Mr. Cossitt) has caused some interest in the matter.

The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6.03 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, at five o'clock when the debate was interrupted for other business I had reminded the House and the minister and, perhaps equally important, the officials in the gallery, that since 1971 when the Unemployment Insurance Act was brought in, reflecting the views of all members of the House, there have been no less than five or six amendments to the bill, if I recall correctly. In each and every one of these amendments there has been a clause or provision, among others, subtly to shift the financial burden of unemployment from the consolidated revenue fund and the government to the employer-employee to the point that it is almost absurd. I would say that close to $1 billion has been so shifted.

I want to emphasize that again for a second, Mr. Speaker, so that officials know that at least some of us understand what they are doing. I want to say, before I get to the amendments, that it might have been more fair if the officials had told Parliament that they had miscalculated the rate of unemployment in 1970 when they said it would average 4 per cent and that, for reasons beyond their control—the energy crisis is a good example or the unexpected growth of the work force—unemployment should more realistically be predicted at 6 per cent. They could have made the necessary adjustments, and I think Parliament would have understood, the country would have understood, and the opposition would have understood.

Instead, either by coincidence or design, prior to every one of these amendments we had a well-orchestrated campaign based on the alleged abuse of the plan, thus preparing and conditioning people for the amendment and supposedly aimed

at reducing the abuse or tightening up the regulations, when in fact the main purpose of most of the amendments was to shift the financial burden from the government to the employer-employee. I think that has been very unfair.

I should like to quote again from the document I referred to earlier, entitled "A Brief History of Unemployment Insurance Legislation in Canada", which is a research paper issued by the Library of Parliament. Referring to the 1975 act it states on page 19 that the purpose of the act was as follows:

—amended the financing formula so as to increase the share paid by employees and employers and reduce the government's share.

The paper does not state why that was necessary but just that it was one of the purposes. In the next paragraph, referring to the Employment and Immigration Reorganization Act of 1977, the paper states:

A variable entrance requirement of 10-14 weeks was introduced, depending on the regional unemployment rate. The benefit structure was simplified, reducing the number of phases from five to three.

The practical application of changing the requirements from eight weeks to ten to 14 weeks was to reduce the financial obligations of the government. The government had another alternative, simply to raise taxes or find the money elsewhere. What the amendments did in 1978—and this is perhaps the most massive change to the act—was to stipulate a higher entrance requirement, once again, for those claimants who were entering the labour force for the first time or who were re-entering it after a period of absence. The 1978 legislation changed the minimum insurability, it reduced the rate of benefits to 60 per cent of average weekly insurable earnings from 66 per cent and it required higher income recipients to repay a portion of the UIC benefit. Again, all amendments were designed to reduce the cost of the plan.

● (2010)

To emphasize that point, the financial obligation of the employers and employees as specified in the act in 1971 has always been met by the contributions of the employers and employees. What bothered officials of the Department of Finance was their inability to get their hands on that surplus of $1 billion over those ten years. They did the next best thing in their opinion which was to shift the financial burden of this plan from the government as responsibility linked to the level of unemployment and the government obligation to control that level. They shifted it to the employers and employees thus once again reducing their need to raise funds elsewhere.

Ironically, the plan is still essentially intact. What is needed now is a shift in emphasis in this House, in this country and in the Department of Finance, a realization that the average French-speaking Canadian, the average English-speaking Canadian wherever he or she comes from or whatever philosophy he or she may share, whatever their background in whatever province they live, would prefer to work rather than draw unemployment insurance.

It bothers me particularly that in 1980 we still attach some stigma to those people who draw unemployment insurance benefits because they are out of work for reasons beyond their control, whether they be regional differences, a very high level of unemployment or whatever. Somehow in Canada we cannot seem to shed the old biblical concept that man must earn a living by the sweat of his brow. If only we could bring ourselves to appreciate that periodically in this country, like in any other country, people are out of work because of technology or because of competition—the auto pact is a good example of this—and that it is our responsibility to finance those people to see that they have an income. Succinctly put, I do not think Canadians would stand the inhumanity of the 1930s prior to unemployment insurance. I do not think anyone in this House is suggesting that we go back to that period before the 1930s. I plead with the new minister and this government to leave the plan alone for a while and let the officials get on with its application.

One of the unfortunate things about this series of amendments was that they had to be backed by regulations and it made it virtually impossible for the people whose responsibility it is to administer this whole operation, to do so efficiently. As soon as they get familiar with one set of regulations, along comes another.

I want to put one other statistic on the record and remind the House that in 1971 the financial obligation of the government for unemployment insurance—I am referring to the new plan—was about 12 per cent. For employers and employees it was 88 per cent which was reflected in the appropriate level of premiums needed to meet that 88 per cent. By 1978, prior to the 1978 amendment, the financial obligation of the government had risen to 50 per cent leaving the employers the other 50 per cent. Why did it rise to 50 per cent? Because of the high level of prolonged unemployment, and not for any other reason. In 1979, reflecting the 1978 amendments the governments share of the total financial obligations was reduced to 33 per cent, with the predicted financial obligation of the government in 1980 going back to 20 per cent.

I know that my time is almost up, Mr. Speaker, and I want to say that I intend to support this bill. The bill in isolation makes sense, but as part of the total amendments in the seventies it appears to me to be part of a very concerted effort by some officials to get their hands on that pool of money—

Mr. Andre: I thought the bill came from the minister, not the officials.

Mr. Mackasey: —which in reality does not belong to the government in the first place. It belongs to the employers and employees. It reflects their weekly contributions. That surplus, if the act operated properly, should have been reflected in lower premiums in order to offset that surplus.

Finally, I plead with the minister not to listen to those who would suggest that the contributions of the employer and employees of this country to unemployment insurance should provide the moneys needed to finance manpower programs. That is the government's responsibility and it should be met out of general funds. The minister said that he would get back to me about that. I welcome his statement on the need to return to insurance concepts. Then there would be no room in

the plan in the future for a continuing shift of government responsibilities to the private sector. Manpower is a government responsibility reflected in the department of manpower. Unemployment insurance is an entirely separate program which belongs to the employers and employees of the country, and the funds should be made separate. We in this House should be vigilant in making certain that they do remain separate.

I can only remind the minister, from past experience, that over the next few days, few months or few years, he will run into strong pressures, both in and out of the government, that would emasculate the plan if he permits it, and I do not think the workers of this country would be very appreciative.

Mr. John Gamble (York North): Mr. Speaker, I welcome the opportunity to join in the debate on Bill C-3, one of the principal provisions of which is to transfer the cost of initial and extended benefits under the Unemployment Insurance Act from the consolidated revenue fund to the employees and employers who are covered by the provisions of the act. Incidentally, that rather major provision will have the effect over a full fiscal year of transferring total costs of something in the neighbourhood of three-quarters of a billion dollars. I make mention of this fact because we are confronted with a series of estimates which indicate budgetary deficits for the year in which we find ourselves in excess of $14 billion. If indeed this bill were not introduced and passed, those estimates will show a deficit of something in the neighbourhood of $15 billion. That fact, of course, is not generally made known nor will the government loudly proclaim the benefits or disadvantages of the system.

Since the introduction of the substantial amendments to the Unemployment Insurance Act in 1971, there is little doubt that the unemployment insurance fund has not in all cases had the desired effect, hopefully attributable to the government, as long as I do not misinterpret the government's intentions.

While no one can challenge the need to provide income security for those gainfully employed in Canada, the government is derelict in its duty if it does not recognize the abuses to the system and move to remedy the same. I am personally familiar, as I am sure many members of this House are, with cases in which legitimate claims under the act have been made by persons covered thereby. Those claims have not been met expeditiously and with dignity. Those who contribute what has commonly been referred to as premiums are entitled to make a claim when the event with respect to which the premium was paid should occur.

● (2020)

The Canadian public is generally familiar with the provisions of insurance policies and insurance claims in the private sector. The concept is that when one pays a premium and the occurrence transpires, one is entitled as a right, and within the printed, usually simple but sometimes legalistic terms of the policy, to reimbursement for the loss sustained.

We are invited not to treat this plan as an insurance plan. If in fact it were, then those protected by the plan would be in a position whereby the quantum of the premium coverage would give rise to the payment of an additional benefit. In fact the minister would appear to reject the concept of escalated voluntary premiums giving rise to escalated provisions by way of benefit under the act on the theory that we are creating some kind of a two-tier system.

I suggest to the minister instead that what we should have is a sliding scale system for the voluntary contribution of premiums so-called under the act, with a corresponding increase in benefits if this act is properly designated as an insurance act. However, the suggestions have been rejected. If we examine it and its purposes and the way in which these amendments contained in the bill are to operate, the act is nothing but an act pertaining to the raising of revenues by way of taxation. The only difference between this act and the provisions of the Income Tax Act, aside from the extreme complexity of the latter, is the fact that we have selected a group of taxpayers who are not the general taxpayers of Canada. They are a special class of taxpayer, the employed and the employer.

As a simple piece of taxing legislation, we are surely inclined to ask whether it is serving any other purpose in society. The purpose can be measured by the results. In part, those results are damaging to the work ethic which has been endangered by the development of a system whereby a gap that exists between the net revenue, income or sustenance that one may retain by way of benefits under the act, and the net revenue sustenance or benefit that one may retain after one labours or invests, is growing perilously close in many instances.

The natural inclination is that there is a disinclination to become engaged in productivity, and society thereby develops a code of non-production, and claims are devised to avoid the unpleasantness of work. The task of government is to widen the gap that exists between earned income for labour and enterprise and income derived under the act. I am not suggesting for one moment that that gap be widened through the process of reducing the amounts to which one becomes entitled, but rather that the gap be widened through tax legislation and the retention of a larger portion of what one produces in the hands of those that do the production.

Accordingly, it is necessary to reduce taxation in Canada. This piece of legislation, standing as it does in the form of nothing more than a taxing statute, should be viewed in that light. Unfortunately, we are confronted by a government which has given every indication that it will pursue potentially and likely a policy of reversing the very suggestions that I have made.

It would appear that ministers are inclined to favour the de-indexing of the provisions of the Income Tax Act which currently grant some measure of relief to the taxpayers of Canada. Statistically that measure of relief will be removed from those less able to pay for the further intrusion into their pocket by the Government of Canada. Very clearly the suggested de-indexing of the provisions by way of rates and

deductions under the Income Tax Act will open the floodgates to additional government spending. It will obviate the necessity of government to come before this House to face the fact courageously that they may from time to time require additional revenues to cover what has in the past been massive waste and extravagance.

It is interesting that the very course they would take would be quite contrary to the provisions of an intended piece of legislation passed by the United States Congress, introduced by Jack Kemp and William Roth. If I may, I will read from a brief commentary related to the legislation which they introduced. I quote:

Under current tax law, personal income tax rates are continuously rising because inflation is permitted to push all workers, savers and investors into higher tax brackets. This incentive-robbing combination of inflation and steeply progressive tax rates—known as "bracket creep" or government's "inflation dividend"—is the greatest single cause of declining productivity, declining growth, and chronic budget deficits in the past 15 years.

The real problem in this country that gives rise to the need to make the changes that confront us in Bill C-3 is the prospect of continued growth in the number of Canadians unemployed. Rather than take steps which will deal with the cause, the government has, in its traditional patchwork form, endeavoured to deal with but a symptom, making it easier to conceal the fact that there is a tax imposed upon Canadians who are working and Canadians who are supplying work in Canada.

Investment responds to incentive. Business, I submit, the employer of labour and the creator of the jobs that are required, in order to minimize the demands upon the Unemployment Insurance Act—so called—requires a form of incentive. It is the same incentive as I spoke of in regard to the difference between those who, as employees, are prepared to work and contribute, and those who voluntarily choose not to, and that incentive must surely flow from the retention of more of what is produced, the retention of more of what is earned. This can happen only in the event the government introduces a plan designed to reduce the tax grab in this country. But instead of endeavouring to persuade business that Canada has a stable future and a government known for its determination to curb waste and excess, we are confronted with Bill C-30 which provides among other things for the borrowing of some $12 billion by the administration. When I say "among other things", I would include, as the most damaging of all, the provision entitling the government to go abroad to borrow whatever funds are required.

● (2030)

It was not long ago that the same government went abroad. They went to Germany and borrowed $825 million. They went to Japan and borrowed $500 million. They went to the United States and borrowed $1.5 billion. Then they wondered why our dollar came under attack. Ultimately it became necessary to pay interest on the loans which had been taken out and the prospect of repayment confronted investors who might otherwise have been examining favourably the total cash flow in and out of our country. We are stuck with the loans which have been taken out in the past, and when those loans are ultimately paid off it will be to the detriment of the exchange rate on the Canadian dollar. We will once again go into the market exchanging Canadian currency for German marks, Japanese yen, and United States dollars, and that will have the unfortunate effect upon the value of our dollar which will immediately prompt the Bank of Canada in its traditional fashion to demand higher interest rates in Canada so as to attract investment to this country. The vicious circle in which we find ourselves is never-ending.

The government has proposed in this bill to do the worst conceivable thing it could for the long-term benefit of the country. This has traditionally been the policy of the government which confronts us now. I say "confronts", because it is something over which we on this side, unfortunately, have little control. Hopefully, given time, they may be persuaded, if they listen enough, to realize the damage they are doing not only to Canadians of today but to those of tomorrow as well. It is uncomfortable for business to recognize that this year disclosed a deficit of $14 billion plus. We have failed to come to grips with the reality of this kind of news, coupled with the certainty, almost, that the deficit will, as it has in the past, exceed the expectation of government. It shows mismanagement, inability to cope with the revenue-raising and expenditure functions of government. Stability and certainty are essential if business is to expand and develop.

If business does not expand and develop, I suppose the only way the government can hope to cope with unemployment, so that the payments made under the act confronting us this evening may be reduced, would be to hire the jobless as public servants. I know that the payroll of the public service on an annual basis is in the amount of some $8.6 billion. I wonder how long the public will tolerate the increments which are constantly being made. We saw one example a short time ago. It showed an increase of 26.6 per cent from 1979 to 1980 in salaries paid to the lowest group in the Post Office, inside workers, at a cost to the taxpayers of some $36 million a year. That did not in any way abate the inflationary pressures which will grow from wage settlements of that nature.

When I originally realized that the threatened strike would not materialize I am sure that, like many others, I was gratified to find that business would once again be able to rely on the postal services and that employees of businesses might continue to be gainfully employed. But it is not that simple. We have set in motion once again, as in the past, an inflationary spiral motivated directly, approved and encouraged by government.

The ill of inflation which has a direct bearing on the way this country can perform, the hazards of excessive government expenditures, the remarkable inability of the government to deal concretely and decisively with energy policies, have the effect of driving from our nation those who by their enterprise in the past would be prepared to provide employment for today and for the future. The government has demonstrated clearly that it is incapable of dealing with any of the problems which confront the country.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, believing, as I do, that the House of Commons is a place where members should debate the issue which is before them, I wish to make a few comments about several of the speeches we have heard this afternoon and this evening.

The hon. member for York North (Mr. Gamble) who has just completed his speech wants the tax system changed so that those who already have most in this country would be able to keep more of the wealth they have. He proposes to do this by reducing their taxes. Does he not realize that the top fifth of income-earners in this country already get 42 per cent of the total gross national product while the bottom fifth gets less than 4 per cent? In other words, the bottom fifth have average incomes of less than one-tenth of the top fifth. What greater degree of inequality does the hon. member for York North want? Does he not realize that the share of the gross national product which goes to business and industry has risen steadily in the last three or four years while the share which goes to wages and salaries has gone down? Yet the hon. member comes here and complains that postal workers' wages have been increased too much. Of course, he does not say a thing about the fact that profits are virtually at an all-time high right now.

The hon. member for Bow River (Mr. Taylor), who spoke this afternoon, urged the government to get though with people who abuse the unemployment insurance system. I am not going to defend anybody who abuses the unemployment insurance system, but I would be much more willing to listen to the hon. member for Bow River if occasionally he would get up here and talk about the fact that there are some doctors who abuse the medical insurance system and suggest that the government ought to go after them.

● (2040)

I would be happy if the hon. member would rise in the House sometimes and talk about the fact that there is a number of large corporations in this country which have been prosecuted, charged, tried and convicted, not once but two or three times, because they have been involved in an illegal conspiracy to maintain prices at a fixed, too high level. We never hear a word about that from the hon. member for Bow River. I should like him to talk about that.

I find it somewhat puzzling that when the president of the Postal Workers' Union broke the law, it did not take very long for the government to charge and bring him to court and then to have him convicted and have him actually serve a sentence. There were some very big leaders of industry in Hamilton, however, who conspired to fix the price for dredging and who bilked the public of several million dollars. They had a long, long, trial which went on for several years, and they were found guilty. I wonder when, if ever, they will serve the sentence which the judge imposed on them. Some of us wonder at the way justice is done and at the equity which we have in our justice system. We do not hear the hon. member for Bow River talk about that.

I want to say a few words about the speech we heard from the hon. member for Lincoln (Mr. Mackasey). He was loud in his criticism of the Canadian Labour Congress, of its supposed silence on the question of unemployment insurance. I do not have to defend them; they can look after themselves. I have a pretty good idea, because I have spoken to some of their elected officials and to some of their research staff, of what they think of the present law which we are discussing, and of the whole system of unemployment insurance. The hon. member for Lincoln implied that the reason they were not talking very much about unemployment insurance was that their members are working and were guaranteed their jobs.

I wonder where the hon. member for Lincoln has been in the last year or so. Does he not know that there have been major lay-offs in the auto industry, rubber industry, the glass industry, the plastics industry, the forest products industry, and the construction industry? Does he not know that there are tens of thousands of workers in this country who have not been employed in the past, some of whom have never drawn one week of unemployment insurance benefits before 1979 and 1980, and who continue to be unemployed now? I think the hon. member knows that, and I think he was talking tongue in cheek when he made those comments.

I wonder whether he was not so vehement because he knew deep in his heart, but did not want to admit it publicly, that what the Liberals had been doing almost from the time that the major rewriting of the Unemployment Insurance Act took place under his direction when he was minister in 1971, has been to cut down that act step by step. Of course, the hon. member for Lincoln now is a Liberal member of Parliament and he cannot say that publicly about his own party, but that is what the government has been doing. So what does he do? He sets up a strawman which he can beat.

He blames the civil servants, the bureaucrats, and he implies that the reason the whole plan is in trouble is that the senior civil servants duped their political masters, the cabinet ministers, that they were wrong in the estimates that we would only have 4 per cent unemployment, on which figure the premium rates were set back in 1971. He implied that if only they had not made that mistake, to which, of course, they do not want to admit, and had their political masters, their cabinet ministers, been as bright as the hon. member for Lincoln, they would have seen the facts as they were and we would not be in the trouble in which we find ourselves. I do not believe that for a moment.

I believe that the cabinet ministers knew exactly what was happening and they were very happy to follow the advice of the senior civil servants which was that the premiums paid by both the employer and employee should be raised, as they have been steadily raised since 1971, because, for a number of years now, they have been in a mood of retrenchment and restraint, in a mood to show the public that they can control government expenditures. One of the best and easiest ways to control government expenditures closely is to stop paying as much unemployment insurance costs by the government as possible, and to shift the cost to the employees and employers in the

form of increased premium payments every pay day. In that way the government appears to be reducing its expenditures.

I will come back to what has happened to the funding of unemployment insurance needs in this country and how much less of the total cost the government is paying than it used to be. If we are in trouble, if the cost of unemployment insurance benefits to the people of Canada is now at about $5 billion, or $5,000 million a year, it is because this country and the governments which have been in control here have not believed and do not believe in full employment. Canada has the largest rate of unemployment of any of the industrialized countries in the western world.

We in the New Democratic Party believe in full employment, and when we say that full employment is possible in this country, that it is possible to produce a job for every person who wants to work, we do not mean full employment with unemployment at the rate of 4 per cent, as was calculated some years ago by organizations such as the Economic Council of Canada, we not mean unemployment of 6 per cent or more, as calculated by some organizations such as the Economic Council and probably the Conference Board today. When we talk about full employment in this country, we mean work for every Canadian who wants to work at a decent wage. We believe that full employment is still possible and should still be the objective that all Canadian political parties should have as a very high priority.

The hon. member for Bow River spoke about the fact that we still have a very large number of unemployed in this country, over 900,000 according to Statistics Canada, and that there were many employers who were looking for workers and could not find them. I am sure that is true. We must look at the situation as it really is. I am sure that there are some people who do not want to work, but I say to the hon. member for Bow River that that is a small number of people, because the figures from Statistics Canada indicate very clearly that while we have 900,000 or more people unemployed, there are fewer than 50,000 job vacancies.

So I say to the hon. member that if every job vacancy were filled tomorrow—which of course is impossible because many of them are for jobs which require skills which Canadian workers do not have—we would still have more than 800,000 unemployed. That is a fact which governments have to face up. We are not alone in our desire for full employment. Back in 1942 or 1943, a Liberal government which had remembered the depression of the 1930s and the tremendous unemployment which Canada had experienced after World War I, brought out a white paper on its post-war plans in which it set out its objective of full employment. It was very clear and explicit as to what was meant by full employment, the providing of a job for every Canadian who wanted a job.

● (2050)

In 1971 the present Prime Minister (Mr. Trudeau) reiterated the fact that "Full employment is the goal of this government." Yet, if we look at the record, we see the dismal record of the Liberal government under the present Prime Minister in meeting that supposed objective. When the present Prime Minister took office in 1968 the number of unemployed was 360,000 and the rate of unemployment was 4.5 per cent of the labour force. The unemployment situation today is very much more serious. There are over 900,000 unemployed, or almost 8 per cent of the labour force. Those are the official figures. I am sure every member of Parliament knows there are several hundreds of thousands of people unemployed in slow-growth areas such as Quebec, the Atlantic provinces and the Interlake area of Manitoba. These unemployed people are not counted in the figures because the unemployment figures of Statistics Canada are based only on people who are not only unemployed but are actively looking for work.

We all know many parts of Canada where a very large percentage of the labour force is unemployed. Many people have given up looking for work because there is no hope of getting jobs. Because of the recession in the United States, there have been very serious lay-offs recently in the automobile industry and its related industries, in the forest product industry and the construction industry. When we talk about one million unemployed, it is difficult for people—including many of us—to comprehend the magnitude of the problem, the serious situation facing unemployed people.

Each unemployed person faces hardship. Each person drawing unemployment insurance benefits has had his income reduced by at least 40 per cent. According to Statistics Canada, the average unemployment insurance benefits received by people was $120 a week and their average earnings before going on unemployment insurance was approximately $200 a week. Given the high cost of living in Canada at this time, a reduction in income of 40 per cent or more is not something people accept very easily. When the unemployment insurance benefits run out, people are reduced to living on welfare at a level which is just a fraction of what they were accustomed to living on when they were working. Largely because we do not have full employment, we have hundreds of thousands and probably millions of people living in poverty.

In see the Minister of National Health and Welfare (Miss Bégin) is present this evening. She has spoken frequently and much more eloquently than I about what it means for people to live in poverty. In a speech to the YMCA in May of 1977 she said:

> —nearly two million children who live in families with incomes inadequate for their needs and for the 600,000 working families who spend two-thirds or more of their incomes to provide the basic necessities of food, clothing and shelter . . . In 1977, the poorest 20 per cent of Canadian families received less than 6 per cent of total Canadian family income—

That is the situation. When I hear members on either side of the House implying that large numbers of people do not want to work and are happy to live on unemployment insurance or welfare, it is just not true, and certainly they should know better.

I want to come back to the bill we are discussing at the present time.

Mr. Epp: Good.

Mr. Orlikow: I hear the hon. member for Provencher (Mr. Epp). My remarks have been closer to the bill than those of most of his colleagues today.

I should like to indicate how far the present Liberal government has moved from its earliest commitment to aim for full employment at the time of the last major revision to this act in 1971. I should like to refer to a few sentences from the speech of the then minister of manpower and immigration, the present hon. member for Lincoln, when he introduced the bill on unemployment insurance in 1971. He said:

What we propose to do in the main, is to limit the cost of the plan, up to a particular threshhold which I will discuss in a moment, to the employer and the employee.

He went on to say:

—the employer and the employee both will be paying their share when unemployment in the country is under the level of 4 per cent . . . above which the state will contribute. But to that point, the employer and the employee will finance the plan.

Further on in his speech he said:

If the rate of unemployment happens to be 6 per cent, that will mean an injection into the economy by the government, through the unemployed people in this country, of approximately $200 million.

I think the rate of unemployment at that time was 6 per cent. He went on to say:

Since the figure of 4 per cent has attracted a good deal of attention, I imagine somebody is going to suggest that the government has determined 4 per cent to be an acceptable rate of unemployment in Canada. Well, it is not my criterion. Like everybody else, I believe the acceptable rate of unemployment is the least possible rate.

He continued by saying:

We have used the 4 per cent figure because 4 per cent, according to our computer estimates, triggers the government's contribution to the fund at a realistic level.

Now we have an unemployment rate which is twice what it was in 1971 when the hon. member for Lincoln was the minister. I did not hear much complaint on his part about the unacceptable high rate of unemployment at the present time as compared to 1971. When the member made the statements to which I have just referred, the rate of unemployment was substantially higher than 4 per cent, and it has grown steadily since then. Instead of devising an industrial strategy to remodernize our manufacturing industry so that more well-trained and educated young people can find work, instead of cutting taxes and reducing interest rates to increase the purchasing power of Canadians which would lead to more jobs, Liberal governments have again and again amended the Unemployment Insurance Act to remove people from the opportunity of collecting benefits, to make it more difficult to qualify and so on.

Mr. Benjamin: Where was Mackasey when we needed him?

Mr. Orlikow: Yes, where is he now when we need him? During the recent election campaign the New Democratic Party called for the introduction of a full employment bill which would set targets for reducing unemployment to 6 per cent by 1982 and to 4 per cent by 1984. We submit that this country cannot afford having over one million people unemployed. Because there is 8 per cent unemployment rather than the 4 per cent which was considered full employment some years ago, it has been estimated that we lose $5 billion a year in the production of goods and services. Because of that, federal tax revenues are $1 billion less than they should be, and we pay out $5 billion in unemployment insurance benefits.

What is the response of the government to this disaster? Government spending on job creation is to be reduced by $85 million, down from $281 million to $192 million. The job-creation programs announced so far by the government are as usual too little and too late. The job-creation programs that have been adopted have not been of a size to have any real effect on the economic system. The Canada Works program and the Young Canada Works program have been geared in an attempt to deal with the regional imbalance, so Quebec and the Atlantic provinces have received the lion's share of the fund. We do not complain about that because they have the largest number and the highest percentage of unemployed, but the jobs created there have essentially been of a short-term or temporary nature. They have been mainly in community improvement projects, necessary and useful, but they have not expanded the economic system to accommodate our growing labour force.

● (2100)

On both the Liberal and the Conservative sides we have seen a desire to push off the failure of our economy to provide the jobs which are required, first of all on those who are unemployed, and secondly on the employed, by putting more of the costs to pay for unemployment insurance benefits on the employer and the employee.

Historically unemployment insurance has been financed from two sources, first the premium account into which the employer-employee premiums are deposited, and secondly by advances from the Government of Canada.

When the government passed the major revisions to the Unemployment Insurance Act in 1971 it predicated the legislation on an average of 4 per cent unemployment throughout the decade. Benefit costs of unemployment insurance up to the rate of 4 per cent, as I have already indicated, were to be paid by employer-employee premiums, and the cost that resulted from a rate higher than 4 per cent was to be recovered from the Government of Canada. The act required that when premiums collected were higher than the benefits they were intended to cover, the premium rates would be lowered. Instead of this the government has increased premium rates over the years, changing the legislation and increasing premium costs to cover program costs which the government itself was originally supposed to cover.

Before I give a short summary of how the government has done this, I want to point out that the hon. member for Lincoln, who was the minister responsible for introducing the act in 1971, today defended the changes which have been made since 1971, the very changes which have perverted the intention of the act back in 1971.

Let me indicate how this was done. In 1971 the Unemployment Insurance Act was passed and unemployment was forecast at 4 per cent throughout the decade. Benefit costs up to 4 per cent were to be paid from premiums, and the government was to pay for benefits above that level in recognition of its responsibility to ensure adequate employment. I do not want to quote again from the then minister's speech, but that is exactly the argument he gave to show that the government would feel itself responsible for keeping the rate of unemployment to 4 per cent. Of course, that did not happen.

In 1975 we had Bill C-69. The rate at which government contributions helped to pay for initial benefits from 4 per cent up was changed to an eight-year moving average of unemployment rates.

In 1977 we had Bill C-27 which eliminated two extended benefit phases for which the government, not the premium payers, was previously responsible for payment, and in 1978 we had Bill C-14 which shifted the burden of the extended phase of benefits to premium payers from the government, at a cost to premium payers of $400 million, and the premiums were lowered because of greatly reduced benefits.

What was the effect of all those changes? When Bill C-14 was passed in December, 1978, under a Liberal government, government members touted it as a measure to save $580 million. In fact the saving was $180 million or less, and the other $400 million was merely a transfer of costs from the federal account to the premium account.

From the early 1970s on, when the government's contribution to unemployment insurance pay-outs was 53 per cent, the government's share declined to 38 per cent after the 1977 amendments, to something well below that after the 1978 amendments, and the intent of this legislation is to reduce it to less than 20 per cent. That is the only thing the hon. member for York North said with which I can agree. The government department responsible projects total unemployment insurance costs for 1981-82 at $5.2 billion. Government contributions are projected at only $951 million. We can see what has happened to the 50 per cent or more of the costs which the government paid a few years ago.

Incidentally, the short-lived Conservative government we had, proposed to do exactly the same thing in the 1979-80 session of Parliament. Under the provisions of the budget, which did not pass, but was presented in December, 1979, it was proposed that all benefits except regional extended benefits would be financed by employer-employee contributions, with the administrative costs of job referral and employment services also being financed by premiums, and premiums would be increased to cover the increased cost. The premium increase was rescinded on December 19, 1979, by the Conservatives when, of course, they were vulnerable to a voter backlash during the election campaign.

Why did both Liberal and Conservative governments act in the way they have acted? I suggest it is because they accepted as fact what I suggest is fiction, that many people are ripping off the system and unemployment insurance benefits are a disincentive to work. We heard that tonight from some of the Conservative speakers.

Let me substantiate my claim that both Liberal and Conservative governments felt that way, and probably still feel that way, by quoting first from the then Liberal cabinet minister, and later from the then Conservative finance minister.

This is what the then minister of employment and immigration, the present member for Sarnia (Mr. Cullen), said in December, 1978. He said that the unemployment insurance scheme has changed from an insurance scheme to a welfare act which people are ripping off "by making unemployment a way of life". I do not believe there are many people who do that.

Then the minister of finance in the Conservative government said on December 11, 1979, during his budget speech, that federal government expenditures on unemployment insurance were going to bankrupt the country, and what was required was a government "committed to bringing greater financial integrity to the unemployment insurance program". I do not believe that for a moment. I do not believe the unemployment insurance system does not have integrity.

What is the intent of the bill we are now discussing? This bill would amend the Unemployment Insurance Act to extend until January, 1982, the existing variable entrance requirement for the unemployment insurance program; that is, the number of weeks a claimant must pay into unemployment insurance before he or she is eligible for benefits. The number of required weeks varies with the regional rate of unemployment, so that a worker in an area of high unemployment, over 9 per cent, could qualify for benefits with ten weeks' insurable employment, whereas a claimant who works in an area of relatively low unemployment, 6 per cent or less, must pay into unemployment insurance for 14 weeks. Some of the areas defined by unemployment insurance officials are so large there could be full employment in one city and major unemployment in another, so that people would not qualify for unemployment insurance benefits until they had their full 14 weeks employment because the area is classified as not having a high rate of unemployment.

• (2110)

One of the amendments made to the Unemployment Insurance Act in 1978 in Bill C-14 would have eliminated the variable entrance requirement by December, 1980, setting it at 14 weeks for all areas. There were many Conservative members who supported that bill, although a large number of them came from the Atlantic provinces which have a high percentage of people unemployed. In Bill C-27 which was passed in July, 1977, the entrance requirement was increased from eight weeks for all areas to the variable ten to 14-week rule. This extension of the variable entrance requirement was in response to protests that the 14-week requirement was highly discriminatory because it eliminated many workers from any income protection under the unemployment insurance program. Seasonal workers, whether employed in the tourist

industry of Prince Edward Island, fishing off the Atlantic coast or the Pacific coast or farming in any part of Canada, would have been cut off.

This bill would shift to the private sector the government's financial responsibilities of sharing unemployment insurance costs. Bill C-3 will take the government out of this cost sharing by eliminating the "threshold rate", an eight-year moving average of unemployment rates, above which the government pays the cost of benefits. This is expected to save the government $378 million in fiscal 1980-81. Of course, it will add exactly the same amount to the premiums paid by the employers and the employees. In other words, what the government takes away with the one hand it gains on the other hand.

Under the proposed amendments the government will continue to pay only for regional extended benefits. The initial and extended labour force phases of unemployment insurance will be paid entirely through employer-employee premiums. At present, all special benefit phases—sickness, maternity leave, etc.—are financed entirely through the premium account, as are all the administrative costs relating to the unemployment insurance program. As a result of an order in council announced by the present minister on April 3, 1980, the administrative cost to National Employment Service, estimated at $246 million this year, will also be a charge against premiums. Because they are a charge against premiums they will add to the cost of administering the program which, until now, was paid by the government.

I would like to make one more observation on this bill and how it affects a particular group of workers. I refer specifically to women. In the press release which the minister issued announcing Bill C-3, he noted that the government plans to introduce regulating changes that would change minimum insurability provisions so that instead of being required to work 20 hours a week, 15 hours a week, or 20 per cent of maximum earnings, would be the new basis of entitlement for part-time workers. He cited this as an improvement which would eliminate the criticism that the existing rule discriminates against women who make up 71 per cent of the part time labour force, although they make up 50 per cent of the total labour force.

This change is expected to take effect on January 1, 1981, and it is a step in the right direction. However, we would point out that other sections of the Unemployment Insurance Act have regulations which specifically discriminate against women, and they need to be changed—for example, the "magic ten" rule with respect to provisions for maternity benefits, and that adoptive mothers are ineligible to collect benefits.

While there are some very minor improvements in this bill, the whole direction of the bill is to continue the process by which since 1971 the Liberal government—and the Conservative government had the same intention when it was in office—and it would have followed through had it stayed in office—has whittled away at the Unemployment Insurance Act to get the government out of its responsibilities of ensuring that we have full employment in this country and that we give every Canadian who wants to work and opportunity to work for decent wages, and to put the costs of the unemployment insurance program on those who are unemployed and on the employers and employees of this country. To the extent that they succeed the government will have less pressure and less of an obligation to adopt programs and devise plans which would put the unemployed of this country back to work, where they want to be. It is for that reason that we are so critical of this proposal and of many other proposals of this government.

Mr. Bill Kempling (Burlington): Mr. Speaker, it is always great to follow an NDP member in one of these debates. I would like to start off by quoting a little poetry which goes:

They are so pure, so pure as can be,
For they are members of the NDP.

Some hon. Members: Hear, hear!

Mr. Kempling: Have hon. members ever wondered what happens to an NDP member when he either retires or is defeated? One of them became a director of Husky Oil. There was another member of the NDP who came here from the west coast and who was here for years. He was finally defeated. That former member ended up working as a stockbroker. He came back to this Parliament and padded up and down the halls trying to sell stocks to members. That same man stood in the House here and damned corporations and companies for years.

Another NDP member would stand in this House and cry for 6 per cent mortgages. That member sold his farm, and what did he do with the proceeds? He invested in 16 per cent second mortgages. The way things are going, I would expect that the hon. member for Regina West (Mr. Benjamin) will probably end up as director of the Canadian Pacific. That is where he is destined to go. We had the president of the Canadian Pacific before a committee of this House.

Mr. Parker: Mr. Speaker, on a point of order, I have been waiting patiently to speak on this bill. I have some very important points that I would like to make on the Unemployment Insurance Act. The present speaker is taking up time which I would like to have.

An hon. Member: Wait your turn.

Mr. Kempling: The hon. member can wait for his turn. When it comes, then he can put what he has to say on the record.

The day that the president of Canadian Pacific came before a committee of the House, I said to the hon. member for Regina West, "Hey, your buddy is here, the fellow you are always damning in the House. Why don't you come before the committee so you will have something else to do tonight?"

Mr. Benjamin: I did, Bill.

Mr. Kempling: How do you spell NDP, Mr. Speaker? It is spelled "phony". There are some matters with regard to this bill that I would like to talk about. Members from all sides who have discussed this bill have brought forward some very

valid points, and I assume that the bill will go into committee where there will be some very good discussions.

Mr. Orlikow: Not tonight.

Mr. Kempling: Not tonight, perhaps, but it will go into committee where, through the discussions there, it will be honed a little finer and eased where it is necessary. I would like to say a few words, not on precise parts of the bill or about the regulations, but about the attitude of the people who work in the unemployment insurance offices across this country. I had some experiences with them, but at least I have not had any complaints in the past few months. There have been some dehumanizing experiences, and I have to say that I believe things would not have happened this way if the people concerned had been directed differently. I do not believe they went into the job with the idea of dehumanizing other people who come to them for assistance. I believe it is due to some extent to direction, or to the fact that things are run so loosely so that someone who is a real hardliner is given a free rein. At one time things were so bad that I thought they must have a hit team that was sent from area to area.

● (2120)

I want to mention a few particular cases, Mr. Speaker. Regardless of what hon. members say in this House, or what the provinces say about labour practices, we all know that discrimination is practised against people over 50 years of age. Indeed, it is practised by this government. How many people over 50 years of age have been hired by the government recently? Very few. We all know that it goes in industry. It is against the law, but it is done. In the end, these people go to the unemployment insurance office to seek aid and assistance.

You have been in this House a long time, Mr. Speaker, so I am sure you have handled a lot of cases where women over 50 years of age cannot find a job and end up on unemployment insurance. I have dealt with a number of them in my constituency, and the way some of them have been treated is almost criminal.

There is the case of a 46-year old woman who had been the manager of a department store. She listed her qualifications as manager, buyer, clerk, accountant and supervisor, so she was a very talented person. The department store had closed down and she became unemployed. When she went to the unemployment insurance office to apply for assistance the clerk asked her what she could do. She said, "I have been the manager of a store, a buyer, a clerk, an accountant and supervisor. I can do almost anything in a retail operation." He asked, "What can you do?" She replied, "I have been a manager, a buyer, a clerk, an accountant and a supervisor. I can do almost anything in a retail operation." He said, "What sort of work can you do?" Mr. Speaker, she repeated that six times. Of course the object of the exercise was to get her to blow her stack, as they say—to become so emotional that she would walk out. He could then fill out a form showing that she had a bad attitude toward work. That actually happened, Mr. Speaker.

Then there was a case of a man who was 62 years of age. Try to get a 62-year old a job in this country! He had worked all his life with one employer but the firm was bought out and the new operation cut down and he was let go. He was a veteran and had been a prisoner of war in World War II. He had never applied for unemployment insurance. He was harassed and degraded so much that when he came to my office he was in tears. I was very annoyed about that.

An hon. Member: That is private enterprise.

Mr. Kempling: It was the unemployment insurance office that was harassing him. I went to the office with him and they asked him what he could do other than the job he had been doing. He said he was also a photographer. We got him some work going around to real estate agents in the town and taking photographs of the houses they had for sale. We tried to get the unemployment insurance to make a partial payment to him because he was not making enough money at this photography, but they would not do it. The man was almost inconsolable. He said, "What have I done but work all my life? I have given everything I have to my country, and this is the way I end up?"

The next case is a rather delicate one and I shall skip around the edges of it. A talented young lady had held an administrative job in the $20,000 per year bracket with an American company that decided to move back to the United States. They wanted her to go with them but she could not because she could not get a work permit for the United States, so she applied for unemployment insurance. As she was single, talented, and wanted a job in the same income bracket, she went to London, to Niagara Falls, to St. Catharines, and to Kitchener, looking for work. She was a rather attractive looking girl. The people at the unemployment insurance office suggested to her that she was a prostitute, and that if she did not do so much hustling she might be available for work. Can you imagine that sort of thing happening? It did. Ultimately, through her own efforts she secured a very good job at a higher salary. They had been giving her a rough time because she would not take a job as a waitress or a gas pump jockey in a service station.

I think these cases illustrate that the management of the UIC must be very careful about the people they hire. If they find they have such attitudes, then they should get rid of them. There is no excuse for dehumanizing people. We cannot tolerate that.

Some hon. Members: Hear, hear!

Mr. Kempling: Another man came to me who had gone to the unemployment insurance office to look at the job listings. He had driven a school bus for seven years, and prior to that was a driver-mechanic in the Canadian Armed Forces. There was a job listed for a transport driver. He had an interview with one of the clerks, and because he did not answer a question the right way the clerk—who could not drive a truck, incidentally—said, "I could not recommend you for the job." The job was available and the man had the talents, but the

clerk would not recommend him for it and would not give him the name of the employer. This man went through the yellow pages of the telephone book and placed call after call until he eventually found where the job was. He got it on his own.

Then there was another man who was a stationary engineer by trade but he was getting on in years. He had been only a short time with an employer when he became ill and was obliged to spend some time in hospital. When he recovered he wanted to get to work. He was desperate because he is the type of person who just has to work. In the UIC office he saw a listing for a dishwasher. He said he would take anything—would even wash dishes. The clerk asked, "Do you have any experience?" He said, "I have been married for 40 years." The clerk said, "That does not give you any experience, and I cannot give you that job."

I hear the Minister of National Health and Welfare (Miss Bégin) saying that men do not wash dishes, Mr. Speaker.

An hon. Member: Sexist.

Mr. Kempling: This man also went through the yellow pages and called all the restaurants until he found the one that wanted a dishwasher. He got the job.

Another difficulty concerns the computer, Mr. Speaker. Whatever goes wrong in UIC is the fault of the computer. If everyone gets an overpayment, it is the fault of the computer. If anybody gets a nasty letter, it is the fault of the computer.

• (2130)

Here is a case of a lady who left her employer because she had a disagreement with him. It is her right. She left and applied for unemployment insurance. The unemployment insurance office replied by telling her that she should not have left her job and that it would cost her a certain penalty of so many weeks before she could become eligible for unemployment insurance. She told them that she understood that. In the meantime she went out to look for a job. She was a reasonably aggressive girl and in the matter of a few days she found a job. After this she began to get wads of paper from unemployment insurance. She called the person who signed the paper but she could not get whoever it was on the phone. However, she told them that she did not want them to send her any more of these papers because she had a job and did not need unemployment insurance. She told them that they had not sent her any money and she did not need any money. She also told them not to send her any more paper. This whole series of events is amazing.

First, she received a piece of paper telling her that she should not have left her job and because she left she would not get certain benefits. Then she received another piece of paper which told her that her occupation was a general office clerk and that it was determined she must make a minimum of 15 contacts per week to be considered eligible for unemployment insurance benefits. Next she was sent a letter that told her that she would have to pay back the money she did not get. Each time the lady received one of these papers, she called the office and told them that she had not received any money. She told them that they had not sent her any money and how could she send money back that she had not received. Next she was sent a letter saying that because she failed to appear on July 24 at 10.45 a.m. her benefits would be suspended. Again she told them that she had not received any and asked them how they could be suspended. On and on it went until finally the phone calls and the cards got to the point where they caught up with each other and the harassment ceased. Of course all of this was all blamed on the computer.

I think probably the most famous case that we had concerned a man who had three unemployment insurance files. Imagine the frustration. He would call the unemployment insurance office and tell them that he had not received any benefits. They told him to wait while someone got his file. Someone then grabbed his file and he was told that it showed he was not entitled to benefits. The man would then tell the unemployment insurance office that he had been unemployed for such and such a time, that he had paid into the fund for a certain length of time, that he was an architect and he was looking for work, etc. The unemployment office would tell him that they would check into it and advise him later.

The architect would call back and this time file number two would be drawn. File number two showed that he owed them money. First, the man had not received any money, yet he owed the unemployment insurance money.

Believe it or not, there was file number three which said that he was entitled to benefits but that there was a mix-up in the computer and it was hoped that it would all be clear by the fifteenth of the following month. Finally I went in and raised a little Cain, and an investigation was called. As a result, three files for this fellow appeared on the manager's desk.

These are things which happen within the bureaucracy. The point I am getting at, and the message I want to convey to the minister is this: the attitudes of some of the employees should be looked into, and in this connection I think one has to start at the top. By starting at the top one can see where this direction comes from. It is either direction or lack of direction. Either the people are being directed to harass and there is a hit team, or the system is being run so loosely that these people can do as they please.

A lot of the criticisms of the Unemployment Insurance Commission is the result of a few hundred people in some urban areas across Canada. They are the ones who have created the greatest amount of criticism for the Unemployment Insurance Commission in Canada. We all hear about those who abuse the system.

I would be naive if I said there was no abuse of the system. I also believe that these abuses are small in number compared to the total number of claimants. When people come to me about abuses of the system, I always ask them to give me an example or a name. They all know of several who abuse the system, but they can never come up with a name. The answer is usually that they have heard it from somebody else who heard it from somebody else. We all know there is abuse. But I think the numbers generally across the country, especially when one takes the whole thing into consideration, are relatively small.

I will close by telling hon. members how I treat people who come to my office with unemployment insurance problems. I have never had any difficulty in this procedure. I tell them that if they are legitimately entitled to unemployment insurance, then I will see that they get it. I tell them that I will do everything that I can. I tell them that if they are entitled under the act, under the regulations, to get unemployment insurance, and they are genuinely unemployed and trying to get job, I will help them. That is the purpose of unemployment insurance. However, I tell them that if they are trying to fiddle the system that I am not their man. I have followed that procedure for eight years and I have never had any difficulty. I have never yet had anyone who has come in to see me say that they did not like that attitude. They all agree and tell me that no one should fiddle system. If we all take that attitude I think we could help the administration along.

I just want to leave those few thoughts with hon. members. I think there is a job to be done inside the commission as well as to look at the act, the statute and the regulations. Attitudes today are most important. Attitudes toward people who are past 45 or 50 years of age—in that age bracket—are very important. They are very sensitive. Most of them have not been unemployed before. They are embarrassed and feel out of place before a younger person when they come into the office asking for advice, assistance and help. Somewhere along the line we have to get a little more humanity and humility back into this operation.

Miss Coline Campbell (South West Nova): Mr. Speaker, I am glad to have the opportunity to speak on Bill C-3. As we all know, unemployment insurance provides financial assistance to workers during periods of temporary unemployment. Temporary unemployment may be due to a lack of jobs or it may be due to seasonal variations in employment. That, I think, is also due to the size of the country and the types of regions in which we live.

One must never forget that we need such a program. We have to protect the individuals who are looking for employment. Tonight I would like to talk about some of the discontent that I feel about the unemployment insurance program. In particular, I am disappointed in two aspects of the program that have been brought forth to date under the Unemployment Insurance Act. One would be the use of the money that has been saved in the past from unemployment insurance amendments, and also the money which will be saved with this bill in the financing of the premiums.

It seems to me that there should be a return of this money for more job creation. Areas such as my own which will be affected by this bill have been affected in the past. They are not seeing job creations and are not seeing year-round jobs created. I must say that I am discontent with the money and where it is going. I am concerned there is not more job creation.

The second aspect is that there does not seem to be any solution to the harshness of the unemployment insurance rates that are applied to the various unemployment insurance regions or economic regions used by manpower offices. The unemployment insurance regions are those used by the employer, but they are based on the economic regions as derived from Statistics Canada. In the course of my remarks tonight, I will discuss some of these injustices, or the harshness that I feel is incorporated and being continued by the present system of unemployment insurance and this bill in terms of the use of economic regions.

● (2140)

I would first like to deal with the extension of the variable entrance requirement of ten to 14 weeks beyond December of this year. The variable entrance requirement was used in the past for three reasons. The first was the establishment of benefits. Whether you are entitled to receive benefits depends on the variable entrance requirement in a given area. It is related to the economic regions and the unemployment rate that that manpower office must deal with in the area.

It is also used for the extended benefit period. The last reason is in the former amendments for repeaters in the program. I feel that this area has been the most harsh. In my view, this variable entrance requirement implied a fictional unemployment insurance rate in some areas of Canada. The minister is well aware of my concerns in the use of these statistics and the consequence it has had.

The amendment before us tonight will allow for the continuation of the variable entrance requirement from ten to 14 weeks, at least from December, 1980, to June, 1982, coincidentally the 18 months while the study is being carried out. In other words, if we do not pass this as of January, everyone across Canada will be required to have 14 weeks for a variable entrance requirement in order to receive benefits.

There are pros and cons to that. There are areas of this country that need the variable entrance requirement. However, it is most unjust for one area in proximity to another area to not be included in the same entrance requirement. This is what happened in Nova Scotia. There, all of Cape Breton and most of mainland Nova Scotia have an unemployment rate, yet in the southern end of Nova Scotia there is a different unemployment insurance rate based on an economic region UI rate. They are penalized for being in another area, an economic region that includes Lunenburg, which has a very good economic base.

I wish to continue on with this variable entrance requirement. I do not say that it should not be extended. I just say that when talking about the variable entrance requirement, we must remember that it is not uniform across Canada. In other words, it is variable. I will now deal with the harshness of that application.

For example, two unemployment insurance regions in Nova Scotia, that of Annapolis and Digby, would correspond to the economic regions used by Statistics Canada. I believe they are economic regions four and five. Digby includes Digby county, as well as the counties of Yarmouth, Shelburne, Queens and Lunenburg. The Annapolis area includes Annapolis, Kings and probably Hants. Manpower use two unemployment insurance regions. In Annapolis the averaged unemployment insurance

rate from August, 1978, to July, 1979, was 11. In the unemployment insurance region of Digby it was 8.4. Therefore there was a variable entrance requirement in order to receive benefits in Annapolis of ten and in Digby of 11. Looking at the regional extended benefit entitlement, you have 28 weeks in Annapolis and 18 in Digby. With regard to the repeaters provision, there was no exemption because the unemployment rate was not high enough in those areas to exclude the repeater provisions.

The Digby rate is heavily influenced by the Lunenburg area where unemployment is far less than in other counties in that economic or unemployment insurance region and the population is greater there than in other counties. I am sure the wages are also greater there. One must look beyond that unemployment insurance or economic region to the other regions. The commission should begin to take that into consideration.

In 1977 or 1978 the Yarmouth manpower office had approximately 12 per cent of the pay-outs for UI benefit in Nova Scotia, yet it is penalized by an unemployment insurance rate. When analysing statistics, we must look at the other side as well, namely, the labour surplus rate in the unemployment insurance region of Annapolis and that of Digby. The labour surplus rate is derived from the number of unemployment insurance beneficiaries as a proportion of the labour force in a given unemployment insurance or economic region.

In the August, 1978, to July, 1979, period, the labour surplus rate in South West Nova was 14.3 per cent. Compare that to the economic or unemployment insurance region of that area of 12.8 per cent, or the Annapolis unemployment insurance or economic region which was 11.8 per cent. The variable entrance requirement for Yarmouth or South West Nova was related to the unemployment insurance rate in the economic or unemployment area, not to the labour surplus rate. It would be distorting that figure because that economic region is heavily weighted because the Lunenburg area, as I said, is much better off.

I now wish to deal with the concerns I have in terms of application of the variable entrance requirement. The manpower offices are using statistics that are at least three months old. A unique problem develops. In December the unemployment insurance rate would be based on the variable entrance requirement for that area in September. In other words, the peak employment period in September is used in December. The statistics are three months old.

We then get to the other side. In May there may be a variable entrance requirement of ten weeks because the January unemployment rate, a high rate, is being used. Therefore someone in May now needs ten weeks in order to qualify for unemployment insurance. Using the September rate in December, when there is full employment in that area, a person needs 13 weeks in order to qualify under the variable entrance requirements in December. I am not talking about repeater provisions and extended benefits periods. This is only to qualify for unemployment insurance in the month of December.

Last year in the southern end of the province, Yarmouth in particular, manpower offices had to bring in additional help in order to implement the new variable entrance requirements along with the repeater provisions because where they had been able to settle on a set variable entrance requirement the year before, they now have repeater provisions depending upon the change in each month that could change depending on how many weeks they had received unemployment in the last qualifying period. So you had the unique position that in the month of October the unemployment insurance rate changed, the variable entrance requirement changed, and it went up to 17 weeks.

• (2150)

In the month of November a person had to have 18 weeks, and in the month of December it went up to 19 weeks. But what happened? You have the person who goes into the manpower office comes the middle of November, and he is told: "We will look at your claim." At the time he goes into the office, he needs maybe 17 weeks to qualify for benefits. However, he comes back in three weeks time and it is the turn of the month and he now needs 18 weeks. So then he goes through the whole process of putting in a claim again, only to find that if there has been a slow-up in the manpower office he is going to need 19 weeks. It is all good and well where you have a set unemployment rate in an area over a given year, but when the unemployment rate changes and the variable entrance requirement changes you get the harshness of this application. I think the commission should be looking at this harshness, and this brings me to my third criticism of the variable entrance requirement.

Before getting into the third criticism, I would like to reiterate that in order even to process the claim at the manpower office, it took four times the time to process a claim over the year before, and they had to bring in additional manpower from the Sydney area and the Antigonish area where they did not have that problem.

But let us look at the individual. Sometimes, with legislation, the individual is forgotten. When I say "he" I mean "he" or "she" because in this case it was mainly the women who were being hurt the most. But there is harshness to the individual. At this time of the year, he or she should know how many weeks he or she has got to work in order to qualify. People should not, in the month of December, have to go out looking for an additional week when there is no fish, when there are no jobs and there is no tourist season at that time of year. So, what we are doing to them, they come in and officials say, "Go out and find another week." Where do they find it?

Another thing is that the employer, in order to keep that labour force in the area, should know how many weeks he will have to create employment. I refer to the idea that Canada is a seasonal type of place and there is seasonality in the creation of jobs. This implementation has hurt the idea that the individual does not know today how many weeks he is going to need in order to qualify come the month of November or December. There is another aspect of it. Neither does the

employer, and the hustle and bustle of trying to find that additional week when a person is going to be without money for the next two months are very hard.

There is also the harshness to the community because the municipality then has to bring in assistance to the families of those people who are not qualifying for unemployment insurance, and then the social assistance program comes in which we, as the federal government, cost-share 50 per cent under the Canada Assistance Plan. So one way or another we have to pay the cost of the individual not being able to qualify for unemployment insurance. These are some of the aspects which I feel under the variable entrance requirement should be looked at in committee in connection with this bill, by which we are extending the process for another 18 months.

I just want to quickly talk about the financial aspect. The government still plans to continue the full cost of regional extended benefits. What they are doing in this bill is allowing the private sector, through premium contributions, to pay for the initial regular and labour force extended phases of the program. In other words, those two areas will be self-financing. That is fine. That is very good. But the saving, we are told, effective July 1, 1980, in government expenditures will be reduced by some $378 million for the balance of the current fiscal year. If you took a whole year from July to July it would come to practically $500 million. I should like to say to you, Mr. Speaker, where is that half a billion dollars going? Is it going to create more jobs? Is it going to add some money so that true statistics may be obtained in certain areas? I have not been told. I should like to know where that saving is going. I should like to see it go into job creation and reduce the unemployment rate. Again, I am looking forward to the committee and a study of this bill to see just what those savings are going into.

I should like to comment on a couple of other areas in the minister's speech yesterday. He told us he would be establishing a task force which will study the unemployment insurance program over the next 18 months. I welcome that announcement. I worked quite diligently for four and a half years trying to get new ideas accepted with regard to the application of the Unemployment Insurance Act. I would hope there is to be some consultation with Parliament on the direction of that task force. The hon. gentleman has not said where the people would come from or who will be involved in the work of this task force. I hope it will not be just people within the department or within the commission who will be reviewing the principles and objectives of the program because, if that is the case, and if we look at what they have given us in the past, we shall not have very much left of the unemployment insurance program. The fact that this program was created to eliminate the difficulties people experience when they are unemployed across Canada must be the top concern of any task force. So my question to the minister and to the members of this task force or study group, whoever they are going to be is: what are you going to look at?

The minister outlined some guidelines but it seems to me those were not the only guidelines. It is the application of the unemployment insurance program, it is how does it apply in South West Nova as it does in downtown Toronto—how do we look at who the recipient or the beneficiary will be, why does one area of Nova Scotia have a different qualifying period or a different variable entrance requirement from another when people are the same, they basically earn the same living from the same process—it is either farming or fishing or forestry in the southern end.

I look forward to the task force but I do not look forward to it if it is not a truly consultative group which will incorporate parliamentary concerns with the ideas before they bring forth any new legislation.

The last thing I should like to speak about, and I shall not be too long, is the change from the 20 hours of the part-time worker, or 30 per cent of maximum insurable earnings in order to qualify for a stamp. This has truly hurt the women in particular who make up the greater number of those in part-time employment. The minister mentioned yesterday that one in every four women is a part-time worker whereas the figure for men is one in every 17, if I am not mistaken. I am open to correction on that. In order to qualify for a stamp, last year the change was 20 hours a week minimum for employees on time worked or fixed salary basis, or 30 per cent of maximum insurable earnings for others. I am glad the minister is able, under the regulations, to change this, but had people on the Unemployment Insurance Commission listened to some of us members at the time of this change, it might not have to be changed again.

* * *

● (2200)

BUSINESS OF THE HOUSE

Mr. Knowles: My friend and I wish to ask the same question. The question on both our minds is about tomorrow. There have been some discussions and the order of business has been altered. Can the government House leader tell us what it will be?

[*Translation*]

Mr. Pinard: Mr. Speaker, it is with pleasure that I acceded to the request made by opposition members who were not ready to proceed tomorrow with Bill C-5. Consequently, we will proceed with Bills C-35, C-22, C-13, S-6 in that order and then we will go on to consideration of items on the order paper in the order they are entered.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR CANADA—SERVICE OUT OF HAMILTON—EFFECT ON NORDAIR

Mr. Bill Kempling (Burlington): Mr. Speaker, I asked a question in the House of the Minister of Transport (Mr. Pepin) on May 1 regarding the Hamilton airport and the activities in the future of Nordair and Air Canada. I think it would be appropriate for me to recount briefly what has happened in this area in the last few years.

For more than ten years the expansion of the Mount Hope airport has been discussed by the people of Hamilton and the people in the area beyond that city which could reasonably be serviced by a scheduled airline. The Chamber of Commerce formed an airport committee, as did civic authorities, and several other interested groups joined them. In 1973 the federal government set aside some $10 million for land acquisition. There followed a series of studies costing many hundreds of thousands of dollars on this area. It seems to me there have been about two studies a year for the last nine years. I believe they have studied every tadpole, garter snake and groundhog from Copetown to Tapleytown, and back again, and now we are told there will be some more studies.

I think it would be appropriate if I put on the record the *Hansard* for May 10, 1978, where the hon. member for Hamilton Mountain of the day, the Liberal member, Gus MacFarlane, asked the following question:

> Mr. Speaker, my question is to the Minister of Transport. Early in the year he committed the government to the support and development of the airport at Hamilton. At this time, can he give the House any kind of time-frame as to what is occurring there, particularly with regard to runway 06 which seems to be in all the plans; and is anything being done that will prevent the costly diversion of Nordair aircraft to Toronto which seems to occur on a daily basis?

Here is the reply from the Hon. Otto Lang who was then minister of transport. He said:

> Mr. Speaker, I believe that runway, in fact, is one which has been identified as being a clear part of the development plant at Hamilton, and accordingly we will be moving forward immediately with improvements to the landing system. I can assure the hon. member that in Toronto not long ago, I stated that in my view the Mount Hope airport stands in a really good position to help with the overload that we see at different times at Malton. I will certainly try to see that my officials move forward as rapidly as possible with the Hamilton development plans, and, indeed, encourage additional flights by regularly scheduled airlines through Hamilton.

That was in 1978, two years ago almost to the day.

My colleague, the hon. member for Hamilton-Wentworth (Mr. Scott), asked the Minister of Transport a question on April 28. In his reply the minister said:

> Yes, Madam Speaker, I was about to mention that there is another aspect of very great importance, namely, the servicing of that airport by Air Canada. There are a number of negotiations to take place in that connection because it would be rather useful to have the assurance of regular service if the airport is to be expanded.

Then, in my question on May 1 I asked the minister a supplementary question as follows:

> —Air Canada opened an office in downtown Hamilton a few months ago, and a senior official at that opening said Air Canada would be offering a service out of Hamilton once the new airport facilities were arranged at Mount Hope.

I wanted to know what was going to happen to Nordair because, in his reply, the minister said that they really have to do these studies to know what traffic there is before Air Canada could make a decision. Mr. Speaker, I ask you, who is kidding whom? Air Canada controls all the share stock of Nordair; we know that. Is the minister saying that Air Canada has to do more studies now to decide whether there is enough traffic out of Hamilton for Air Canada to put flights in there? Surely to goodness they know from their connection with Nordair what is going on in that airport. I know they know what is going on.

● (2205)

The thing which concerns me is that in 1978 the government purchased Nordair through Air Canada. At the time of the purchase they said that they would sell it within one year. They have not done that. I believe it is the purpose of Air Canada and the government to try to run the share stock of Nordair down. If they can dwindle the service away to the point that the shares are worth nothing, it will be just blended into Air Canada and there will be no more Nordair. That was not the purpose of the purchase of Nordair. I think the government should come clean and tell us exactly what its plans are.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on May 1 the hon. member for Burlington (Mr. Kempling) raised the matter of possible air service by Air Canada out of Hamilton should new airport facilities be put in place at Mount Hope. The hon. member went on to ask "what effect this"—and presumably he meant the possible future service of Air Canada—"will have on Nordair." He asked what effect it will have on the purchase offers which have been tendered to the government for Nordair shares held by Air Canada on behalf of the government. The Minister of Transport (Mr. Pepin) replied that the matter would have no effect at all on Nordair, that this is entirely a different question, and that Nordair would continue to operate out of Hamilton.

The provision of air service at Hamilton by Air Canada is very much in the future. Should Air Canada in fact enter into such service, I am advised that in all probability these services would be in the nature of charters to southern points and perhaps service to western Canada. In short, should Air Canada introduce air service to Hamilton, this service would not be in competition with Nordair.

During the course of the last several weeks the minister met with several of the prospective purchasers of Nordair. At these meetings none of the interested parties made mention of the future presence of Air Canada in Hamilton. In view of the fact

these interested parties are astute businessmen, one can readily draw the conclusion that Nordair and Air Canada services from Hamilton are not related.

Mr. Kempling: Oh.

Mr. Bockstael: The sale of the shareholding of Air Canada in Nordair is a matter now under consideration by the minister. This disposition question is a complicated one, but it is hoped a solution will be found soon. However, it is clear the presence of Air Canada in Hamilton, whenever that may occur, will not have any effect on the proposals now before the minister, nor on any course of action the minister may choose to follow in the matter of disposing of Nordair Ltd.

FISHERIES—CLOSING OF FRASER RIVER, B.C. FISHERY—REQUEST FOR TABLING TERMS OF REFERENCE

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, as I rise in my place this evening to express my concern for the British Columbia salmon fisheries, the fisheries in general, and the gillnetters in the Fraser River in particular, I should like to take this opportunity to welcome the parliamentary secretary back from the west coast. He complained to me a little earlier that he felt a little red-eyed, that it was a long trip. I should like to tell him that some of us do it every weekend. So, while we are compassionate, we do not have any particular compassion for him at this moment.

I think he can probably emphasize and underline the fact that it is not inaccurate to say that the salmon industry is probably experiencing its worst year in the last 25. I think he has ample evidence of that. Anyway, I should like to suggest to him that of all the people in the industry, probably among the most distressed, depressed and even oppressed, are the gillnetters in the Fraser River. Last year by this time they had more than 17 openings and had captured something like their average for the last four or five years, 15,000 fish, out of the early run. This year when the river was slammed shut in their faces, because of insufficient escapement of stocks, they caught some 2,600 fish.

● (2210)

That is a very serious matter for these people. They have bills to pay. They are last in line, and because of bad management practice, in order to ensure escapement they just had the door closed and they had no way to recover the amount of money they were expecting in order to discharge their responsibilities as heads of households and to pay off their capital debts in terms of equipment.

The recent closure of the Fraser River was bad enough in terms of the chinook or spring fishermen, but in addition the river's inlet has been closed. Many of those gillnetters would have moved, but the river's inlet has been closed at least temporarily, and perhaps even permanently, so that option of moving in order to recover income is not available to them.

This is a brand new policy in respect of the fisheries. I do not know how we can really argue with it, except perhaps to express our concern for those people who have been disadvantaged. The new policy seems to be, let the escapement in first and then do the fishing. It seems to be to let the required number of fish escape to the spawning grounds and then do the fishing. That policy seems intelligent, but it creates a great hardship.

The same thing is occurring on the Nass River. While the Nass River is not usually available to gillnetters, because they do not move there from the Fraser, that is a new policy which will cause some upset, at least initially.

There must be something very wrong with fisheries management on the west coast. As a former investigator under the licensing program, Sol Sinclair, said, we are in the midst of a dissipation of resource rent because of overcapitalization. What that means in English is that because of the necessity to provide better and more efficient gear we are spending more money than the resource is providing. We have too much expensive gear chasing too few fish.

A prime example of a very good fishery is that of Barkley Sound, but I heard today that vessels costing over $100,000 each are catching 30 and 40 fish a day. That is a serious matter; it is not something you can laugh off.

We are spending millions on fisheries management. The Department of Fisheries and Oceans' blue book budget account this year, not all spent on salmon I hasten to add, is something like $366 million. What is the purpose of this great expenditure? What is the purpose of ten floors of fisheries offices in Vancouver? The purpose is to ensure, if not an increased escapement, a stock of fish on the west coast for our people to harvest. There is an attempt to justify this expenditure on the basis of preserving what we now have, but we are not doing that and that is why everybody is particularly alarmed.

We now have bays being leased to fish farmers farming salmon. We have killed off our wild stocks and we have spent millions on salmon enhancement; we have done all kinds of good things, yet the stocks are declining. We have 3,000 people working in the Department of Fisheries and Oceans with an annual budget of $366 million, and our resource is declining. Something has to be wrong. I do not see how we can justify this. What are we spending this money for? This expenditure is not succeeding in terms of improving the salmon stock.

Let me give you some figures from the department's own records. These figures relate to the early runs of chinook in the Fraser, which usually end about the end of July. In 1954 there were 44,000 caught; in 1964 there were 36,000 caught; and in 1974 there were 15,000 caught. That was the average for the last five years. This year there were 2,600 caught. Something has to be wrong. What has happened, and who knows? Perhaps it is the result of the interruption or interception by the Americans, except that they are not fishing this year so we cannot blame the Americans. Perhaps we might have blamed them in years gone by, but not for this year. Perhaps it is the result of pollution from the pulp mills or from the sewage dumped into the river by the city of Kamloops, or other cities dumping sewage into the Fraser. That is perhaps true. Perhaps

it is the result of unsupervised, illegal fishing, or overfishing by the Indian food fishery. These are all excuses. The fact is that lots of people have various ideas.

● (2215)

Let me read from a letter I recently received. To protect the author, I will keep his name anonymous. He wrote:

> The number of fishery officers is at about the same level as 1947 despite the massive growth of the west coast fishing industry. The equipment these front-line guardians must use to patrol the entire west coast is often out of service, because of age, or simply too outdated to be practical for modern policing. As a result there is quite a bit of poaching along the coast by a minority of fishermen.

Over the years there have been a couple of reports produced which outline the problems resulting from shortages, but they have been either ignored or suppressed. They say that poaching is a crime, but at the moment there is no way these people can possibly manage to protect our resources simply because they are so few. The Conservative candidate who ran against me—unsuccessfully, I am pleased to say—said that unless we protect the habitat from illegal fishing, there is no way—

The Acting Speaker (Mr. Ethier): Order, please. The Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, commercial gillnet catch data for the Fraser River indicated that the number of chinook salmon returning to the river this spring is well below average. The cumulative catch to May 27 was only 55 per cent of the 1975 to 1979 average for the same period. Despite the closure this season of the United States fishery off Point Roberts and in the San Juan Islands, which targets mainly on Fraser bound chinook, there was no increase in fish entering the river. Immediately prior to the closure of the Fraser River gillnet fishery, commercial nets were producing 1.5 fish per boat, which amounts to 50 per cent of expectations. During the period April 21 to May 27, eight days of fishing were permitted as compared to ten days in an equivalent period in 1979.

We are not aware of any specific request to reopen the Fraser on two subsequent Mondays although numerous suggestions from fishermen were heard at meetings held with them. The Department of Fisheries and Oceans closure is in effect until June 22 at which time the International Pacific Salmon Fisheries Commission assumes management of convention waters including the Fraser River. Fishermen are aware that unless the chinook test fishery indicates a substantial increase in stock abundance, there can be no further openings for chinook fishing.

In addition to the closure to chinook gillnet fishing, the Department of Fisheries and Oceans has closed the Fraser and adjacent waters to chinook sport fishing until further notice. While there are still coastal areas that will remain open to commercial and sport chinook fishing, these fish are generally of a different age composition and to some degree of different origin, including United States streams and hatcheries. However, the approach waters of Johnstone Strait and Juan de Fuca Strait where Fraser River bound chinook can be intercepted, are closed and will remain closed until July 13 to commercial net fishing. In these ways, fishermen other than Fraser River gillnet fishermen are contributing to chinook conservation.

On the matter of compensation, the current Fraser closure differs considerably from the commercial fishing closure for Atlantic salmon which was for a period of five years and which was subsequently extended through 1980.

The Fraser situation is a short-term problem. That is, it is an in-season closure that is typical of salmon fisheries throughout the Pacific region. More than 80 per cent of the Fraser gill-net fishermen will, if the usual fishing pattern is followed, fish in other areas of the coast during the course of the salmon season. It is recognized, however, that this closure will cause some short-term economic hardship, but the Fraser gillnetter is not the sole bearer of the conservation burden.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.19 p.m.

END OF VOLUME II